

[5/2/78-Department of Education – Organization Plan] [1]

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THE WHITE HOUSE

WASHINGTON

April 14, 1978

Stu Eizenstat
Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President

Jack Watson

Frank Moore

Jody Powell

Richard Pettigrew—

*memo of his
memo*

RE: DEPARTMENT OF EDUCATION

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

I agree
J

April 11, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: RICHARD A. PETTIGREW *Rich*
SUBJECT: Department of Education

In two respects I support present additions to the proposed Department of Education not recommended by others. I am concerned that the department being created has a small number of employees and is embarrassingly narrow in scope.

The Federal Government is currently educating 135,000 children in overseas dependent schools involving 10,000 personnel in the Department of Defense. The President of the Johns Hopkins University and others familiar with such schools have criticized the quality of education being provided in them. I think the legislation should authorize you to transfer responsibility for the operation of such schools to the new department on a phased-in basis as you may deem appropriate. This would eventually more than double the personnel in the department and properly fix responsibility for the quality of education in such schools in the new department.

Secondly, I recommend the transfer of Head Start into the new department at this time with provision for maintenance of the organizational identity of the program within the department. By internal organizational protections, you can alleviate fears that the thrust of the program would be diluted rather than enhanced. In my judgment, Head Start is an innovative approach to improving the educational development of the children involved and to omit its transfer is not consistent with an encouragement of innovation in education, greater parental involvement and community involvement in education, and achieving greater linkages between education and other community services which constitute the basic themes of the new department.

Neither of these additional transfers will be popular with particular constituency groups. There is concern expressed that transfer of the DOD schools will increase the possibility of collective bargaining by school teachers by virtue of actions of a "teacher oriented" Secretary of Education. Under civil service reform, I think through your Office of Personnel Management, you can effectively control labor-management relations in connection with such schools. Secondly, I tend to regard these fears and the opposition of the affected constituencies as an insufficient basis for deferring an obviously appropriate realignment of educational functions. Fifty-eight U.S. Senators have co-signed the bill that includes both Head Start and DOD schools. It will be unduly cautious to omit them.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 12 1978

Jim
Stu
F

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*
Stu Eizenstat *Stu*

SUBJECT: Department of Education

Attached is the decision memorandum on the programmatic content of a Department of Education. Our recommendations and those of the agencies are included. Because Jim will present the Administration's position before the Senate Governmental Affairs Committee this Friday, we need your decisions by Thursday. We can arrange a meeting to discuss the memo if you like.

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr.
Stuart Eizenstat

SUBJECT: Establishing a Cabinet Department of Education

This memorandum requests your decisions on the scope and specific programmatic content of a Cabinet Department of Education. Senator Ribicoff will complete hearings on his bill this month in the expectation that committee markup, Senate passage and House action can be accomplished before the Congress adjourns this fall. Jim McIntyre has agreed to explain the Administration's position before the Senate Governmental Affairs Committee this Friday, April 14.

We plan to testify on Senator Ribicoff's bill, S.991, rather than introduce new legislation in the Senate. We are expected to take a position on the inclusion in a Department of Education of each program contained in S.991. We are also expected to specify which programs, not included in S.991, should also be transferred and to comment on the internal structure of the new department.

Last November, the Reorganization Project staff reported to you the results of the first phase of their study of the organization of Federal education programs. At that time, you instructed us to undertake a cooperative effort with the Congress to establish a Department of Education. You also indicated your preference for a department that is as broad as possible and not dominated by a single constituency.

During the second phase of study, we have examined both the existing and potentially desirable linkages among Federal education and education-related programs. Based on this analysis and extensive consultations with the Congress, executive agencies and interested groups and individuals, we have developed options for the Administration's position on the scope as well as specific programs to be included in the new department.

Jim & Stu
I would favor some flexibility in date of Xfer of some functions, but the proposal should be similar to Ribicoff Bill in final stages
J.C.

Senator Ribicoff's proposal now has 58 cosponsors, and we anticipate Senate passage of a bill to create the department this year. Action by the House this year is uncertain, however. Many Members of Congress support the concept of establishing a Department of Education, but little consensus exists on what programs should be included in it. Most Members with whom we consulted, including Perkins, Brademas, Ford and Thompson, favor a broad department but disagree on what its components should be. Some Members of Congress who support the idea of a department do not favor action now to establish it because of the controversy that may be aroused, uncertainty about its specific goals or fear that it will be dominated by a tradition-bound "education establishment." The House leadership is especially concerned about any controversy that will lead to disputes among Democrats in this election year.

If a bill clears the Senate early this summer, House action will be encouraged. After we present our proposal before the Ribicoff Committee, we should have an Administration bill introduced in the House to spur action this year. A more complete analysis of the political climate is attached as Tab 1.

Section I of this memorandum describes the central purposes and themes of a Department of Education and the criteria we have used to assess the options for its scope and specific programmatic content.

Section II presents and evaluates two options for the Administration's position on the scope of a Department of Education.

Section III describes specific program candidates for your decision and provides both our recommendations and the agencies' recommendations.

Section IV identifies "next steps" for continuing our analysis and gaining acceptance of our proposal.

I. CENTRAL PURPOSES AND THEMES OF THE DEPARTMENT OF EDUCATION

In your Education Message to the Congress in February, you described the Administration's legislative proposals as part of a "concerted effort to reestablish education in the forefront of our domestic priorities." This effort includes a substantial increase in the Federal education budget and the establishment of a Cabinet Department of Education.

The combination of these initiatives is aimed at strengthening our pluralistic, locally controlled system of education. The establishment of a Department of Education will provide a base for national leadership which can increase the visibility and attention given to educational needs, not only at the Federal level, but more importantly by families, communities, public and private schools and local and State governments.

The basic purposes of the new department should be:

1. To continue and strengthen the Federal commitment to ensuring access to equal educational opportunities.

Equal educational opportunity has been and must remain the major educational goal of the Federal Government. In 1965, Congress enacted the Elementary and Secondary Education and Higher Education Acts. Largely as a result of these and other Federal initiatives, including those promoting school desegregation, increased access to postsecondary education, bilingual education and the education of all handicapped children, schools and colleges have increased dramatically their efforts to meet the educational needs of children and youth, particularly those from poor families and minority backgrounds.

2. To promote improvements in the quality of American education by emphasizing both basic skill development and educational excellence.

Unless the quality of educational experiences are ensured, promises of equal educational opportunity are hollow. Increasing the emphasis on the quality of education at all levels requires national attention and commitment now. Declining student achievement, as measured by scholastic aptitude tests, coupled with the lower public confidence in the quality of education, is evidence of the seriousness of this challenge.

3. To broaden the approaches to meeting educational needs by strengthening linkages among schools, community services, training, work and the home.

A variety of factors bear on the achievement of such broad educational objectives as helping individuals reach their potential for personal competence, productive work and individual fulfillment. Unacceptably high rates of high school dropouts and unemployed youth are symptomatic of the need for more diverse approaches to education. Parents often are not sufficiently involved in their children's education. Moreover, a wide variety of social and rehabilitative services which might improve students' ability to learn is available, but too often these services are administered in isolation from each other and from the schools. At attempt to improve the quality of American education must recognize the bring together alternative institutions and approaches.

4. To strengthen the capacity of States and localities to meet educational needs.

At the same time that new leadership is being sought to improve the quality of American education, there is a growing demand for reducing unnecessary and often incomprehensible Federal program and reporting requirements that constrain the activities of State and local and private educational agencies. Initiatives to reduce the regulatory burden and to simplify some of the categorical education programs must be foremost on the agenda of the new department.

Criteria for Evaluating Options for Scope and Programmatic Content of a Department of Education

In the following sections, we assess the advantages and disadvantages of options for the scope and programmatic content of a new department based on the likelihood that they will achieve the purposes discussed above. Two important criteria we have also considered are:

1. Transferring programs should not undermine the effectiveness or integrity of the program itself and should minimize the negative effects on the agency of which the program is now a part.
2. The decision to recommend transferring programs should take into account political support of Members of Congress, interest groups, executive agencies and the public.

II. OPTIONS FOR ADMINISTRATION POSITION ON SCOPE OF EDUCATION DEPARTMENT

We have developed two options for the Administration's position on the scope of a new department:

1. Establish this year a department which includes a narrow range of education programs with a view toward transferring additional programs by reorganization plan later.
2. Establish this year a department which encompasses a broader range of education-related programs to set in place a structure which might also facilitate even further program transfers later.

The chart on the next page compares the scope of these two options, the Ribicoff bill (S.991) and a list of all of the related education and human development programs that we have considered over the past few months.

Options for Scope of a Department of Education

Option 1. Establishment of a narrowly based department which could be broadened later.

The department would encompass primarily elementary and secondary and higher education programs. It would place primary emphasis on ensuring equal educational opportunities, enhancing the quality of educational programs and reducing the Federal regulatory and reporting burdens on State, local and private educational agencies.

The departmental structure would also include a research and innovation component designed to explore and evaluate the effectiveness of additional program linkages and more alternative approaches to learning and personal development. Cabinet-level status would facilitate coordination with related programs in other Federal departments and agencies, although the department's capacity to effect such linkages would be limited.

Education Division, DEW	Education Division, DEW	Education Division, DEW	Education Division, DEW
<u>Higher Education</u> <ul style="list-style-type: none"> Science Education Programs College Housing Program USDA Graduate School Howard University (budgetary oversight) 4 Selected Student Loan Programs (Nursing Loans and Scholarships, Health Professions Student Loans, Law Enforcement Education) 	<u>Higher Education</u> <ul style="list-style-type: none"> Science Education Programs College Housing Program USDA Graduate School Howard University (budgetary oversight) 	<u>Higher Education</u> <ul style="list-style-type: none"> Science Education Directorate College Housing Program USDA Graduate School Howard University (budgetary oversight) 	<u>Higher Education</u> <ul style="list-style-type: none"> Science Education Program College Housing Program USDA Graduate School Howard University (budgetary oversight) 95 Mission-oriented Student Assistance Programs GI Bill and Veterans Education Loan Program Student Assistance, Social Security
<u>Office for Civil Rights</u> (education-related responsibilities)	<u>Office for Civil Rights</u> (education-related responsibilities)	<u>Office for Civil Rights</u> (education-related responsibilities)	<u>Office for Civil Rights</u> (education-related responsibilities)
<u>Telecommunications Demonstrations Program (nonbroadcasting)</u>	<u>Telecommunications Demonstrations Program (nonbroadcasting)</u>	<u>Telecommunications Demonstration & Broadcasting Facilities</u>	<u>Telecommunications Demonstrations Program (nonbroadcasting)</u>
<u>Child Nutrition</u> <u>Nutrition Education</u>	<u>Child Nutrition</u> <u>Nutrition Education</u>	<u>Child Nutrition</u> <ul style="list-style-type: none"> Feeding Programs (5)* <ul style="list-style-type: none"> School Lunch School Breakfast Special Milk Child Care Food Summer Food Service 	<u>Child Nutrition and Nutrition Education</u> <ul style="list-style-type: none"> Feeding Programs (5) <ul style="list-style-type: none"> School Lunch School Breakfast Special Milk Child Care Food Summer Food Service Nutrition Education
<u>Indian Education</u> <ul style="list-style-type: none"> Johnson-O'Malley and Continuing Education 	<u>Indian Education</u> <ul style="list-style-type: none"> Johnson-O'Malley and Continuing Education 	<u>Indian Education</u> <ul style="list-style-type: none"> BIA Schools* 	<u>Indian Education</u> <ul style="list-style-type: none"> BIA Schools Johnson-O'Malley and Continuing Education
	<u>Project Head Start*</u>	<u>Project Head Start*</u>	<u>Project Head Start</u>
	<u>Youth Training and Employment</u> <ul style="list-style-type: none"> Job Corps Summer Youth Employment Youth Employment Demonstration Project Act (YEDPA) 		<u>Youth Training and Employment</u> <ul style="list-style-type: none"> CETA Title I Institutional Training CETA Title III Institutional Training (including Summer Youth and YEDPA) Youth Employment Demonstration Project Act (YEDPA) including VACC, YILPF, YCCIP, YETP Bureau of Apprenticeship Training (BAT) NAB and Private Sector Training
	<u>Youth Services*</u> <ul style="list-style-type: none"> Juvenile Justice and Delinquency Prevention Runaway Youth Service Learning Summer and National Youth Sports Programs 		<u>Youth Services</u> <ul style="list-style-type: none"> Juvenile Justice and Delinquency Prevention Runaway Youth Service Learning Summer and National Youth Sports Programs USDA Extension Service/4-H Program
		<u>DOD Schools*</u>	<u>DOD Schools</u>
		<u>Arts & Humanities</u> <ul style="list-style-type: none"> Endowments 	<u>Arts & Humanities</u> <ul style="list-style-type: none"> Endowments Smithsonian Institution
<u>Handicapped</u> <ul style="list-style-type: none"> Gallaudet College, American Printing House for the Blind, National Technical Institute for the Deaf (budgetary oversight) 	<u>Handicapped</u> <ul style="list-style-type: none"> Gallaudet College, American Printing House for the Blind, National Technical Institute for the Deaf (budgetary oversight) 	<u>Handicapped</u> <ul style="list-style-type: none"> Gallaudet College, American Printing House for the Blind, National Technical Institute for the Deaf (budgetary oversight) 	<u>Handicapped</u> <ul style="list-style-type: none"> Gallaudet College, American Printing House for the Blind, National Technical Institute for the Deaf (budgetary oversight) Vocational Rehabilitation Developmental Disabilities Selected Advisory Committees Architectural and Transportation Barriers Compliance Board Division of Blind and Physically Handicapped, Library of Congress
			<u>Other</u> <ul style="list-style-type: none"> Title XX Social Services Older Americans Act Services Community Services Administration Components of ACTION Appalachian Regional Commission Child Development Health services not included in National Health Insurance Title IV-P Child Welfare Services Child Abuse and Neglect Prevention and Treatment

* President's Reorganization Project does not recommend inclusion in the department at this time.

The department would have 164 programs, a budget of approximately \$13.349 billion and a staff of 5,985, making it the smallest department in terms of staff, but with a budget larger than five other Cabinet departments.

In addition to the 130 programs currently in the Education Division of DHEW, the programs that we have suggested for inclusion in Option 1 and their FY 1979 budget and staffing requests are:

- National Science Foundation (NSF) science education programs (\$56.3 million, approximately 90 staff). (See Tab 2)
- HUD College Housing program (no new appropriation recommended, 3 staff). (See Tab 3)
- USDA Graduate School (no appropriation, no Federal employees). (See Tab 4)
- DHEW Office of Civil Rights education-related responsibilities (\$57.7 million, approximately 1,600 staff). (See Tab 5)
- DHEW Instructional Telecommunications demonstration program (\$1 million, 2 staff). (See Tab 6)
- DHEW budgetary oversight of special institutions - Howard University (\$113.4 million) and Gallaudet College, American Printing House for the Blind, and National Technical Institute for the Deaf (\$65.3 million, 1 staff). (See Tab 7)
- USDA school-based nutrition education programs (\$27 million, 20 staff). (See Tab 8)
- DHEW and Department of Justice student loan programs (\$30 million, 54 staff). (See Tab 9)
- Department of Interior Johnson-O'Malley and continuing education programs for American Indians (\$75 million, 50 staff). (See Tab 10)

Advantages of Option 1

- ° Increases the visibility and attention given to educational needs.
- ° Attracts high caliber leadership to top level Federal positions in education.
- ° Increases the capacity of Federal education leaders to develop effective mechanisms for interagency coordination.
- ° Enhances the responsiveness of Federal policymaking to the needs of State, local and private educational agencies.
- ° Allows time for more extensive public debate and information about effective program linkages and approaches before expanding the programmatic content of the department.
- ° Many of the social service and job training programs have equally good linkages with programs in their existing Departments, and their movement would strip these Departments of many of the important programs.
- ° Avoids divisive political opposition from constituent groups (e.g., labor and the Head Start constituency) which oppose inclusion of these programs in a department which they "fear" would be dominated by the interests of teachers and school administrators.
- ° Has a better chance of passing Congress than a significantly broader Department.

Disadvantages of Option 1

- ° Continues the isolation of traditional education programs and institutions from related training and social services programs provided in the communities.
- ° May diminish the prospects for eventually broadening the types of programs and constituent groups that a new department might encompass, once the "narrow" structure is in place.
- ° May be viewed as politically expedient, particularly by some Members of Congress who favor a broader and more diverse group of programs and competing interests. (There is, however, little agreement on the specific elements of that broad construction.)

- ° Does not respond effectively to the problem of fragmentation of education programs across the Federal Government.

Option 2. Establishment of a more broadly based department that might be expanded still further over time.

The department proposed under this option is not as broad as the education and human development concept advanced last fall, but encompasses a number of education-related programs. In addition to the objectives identified in Option 1, this option would promote diverse and more comprehensive approaches to meeting the goals of increasing individuals' personal competence, productivity and self-fulfillment. This department would focus not only on existing educational institutions, but also on the workplace, community and family, as well as on alternative approaches to providing learning opportunities.

This department would have 199 programs, a budget of approximately \$15.87 billion and a staff of 7,547, making it the smallest department in terms of staff, but with a budget larger than five other Cabinet departments.

In addition to the programs described in Option 1, this broader department would include three other clusters of programs:

- ° Youth services programs in the Department of Justice, DHEW, Community Services Administration and ACTION (\$135 million, 70 staff). (See Tab 11)
- ° Youth training and employment programs in the Department of Labor (\$1,236 million, 489 staff). (See Tab 12)
- ° Project Head Start in DHEW (\$680 million, 240 staff). (See Tab 13)

Advantages of Option 2

Option 2 offers several advantages in addition to those in Option 1 relating to increased visibility for education, better leadership at the Federal level and improved inter-governmental relations.

- ° Fosters policies which recognize that learning is a process that transcends the classroom.
- ° Increases the possibilities for better coordination among education programs and related activities.
- ° Fosters a diverse range of approaches to education involving parents, communities and employers.
- ° Responds to your campaign statement favoring a department which "would consolidate the grant programs, job training, early childhood education, literacy training and many other functions scattered throughout the government."

Disadvantages of Option 2

- ° Generates substantial political opposition from constituent groups (e.g., Head Start advocates, labor unions) that fear that the department will be dominated by professional educators whom they see as unsympathetic to their programs.
- ° Fragments the administration of human services programs by separating certain training and other services for children, youth and the handicapped from related labor, welfare and health programs.
- ° May not encompass a sufficiently diverse and balanced set of programs to accomplish its broad mission (although Option 2 is substantially broader than Option 1).
- ° Increases the transition costs because a greater number of programs would be relocated.

III. RECOMMENDATIONS AND DECISIONS

In view of the programmatic and political analyses detailed earlier in this memorandum, the Office of Management and Budget and the Domestic Policy Staff (DPS) recommend Option 1, the establishment this year of a relatively small department with a strong core of education programs.

The establishment of the department represents the first step in a phased approach to education reorganization. Once the department is in place, we can consider transferring additional programs by reorganization plan.

We have considered over the past months a wide range of education-related programs, including training, social services and research programs. After extensive consultations and analysis, we have concluded that such a broad scope is impractical at this time on both substantive and political grounds.

Unlike the programs included in the Department of Energy, many of the education and education-related functions outside the Education Division are not discrete units that can be transferred easily. For example, training programs are now intertwined with the provision of public service jobs in the Comprehensive Employment and Training Act (CETA).

Also, our extensive consultations with interested groups and Members of Congress have led us to conclude that a proposal to create a broadly based department could not pass the Congress in this election year. Many of the constituencies of candidate programs, such as Head Start, fear domination by the "narrow" interests of educators and school administrators.

The ability of the department to attract over time other programs such as Head Start and youth services and training will depend on the quality of the leadership and management of the department.

The selection of the Secretary of Education and other appointees will give an important signal to a wide range of interested groups about the direction of the new department.

The new department should devote immediate attention to:

- ° Improving the design and management of the 130 programs now in HEW's Education Division

- ° Cooperating more closely with State, local and private agencies.
- ° Strengthening interagency coordination.
- ° Involving parents and the public more directly in developing and implementing programs.
- ° Emphasizing the Federal Government's preeminent responsibility to ensure equal educational opportunities for all Americans.
- ° Stressing the importance of improving educational quality.

There are several programs in the Ribicoff bill that are not included in our recommendations. We will be asked to state our position on those programs at the hearings this Friday. We recommend deferring the decision to include the U. S. Department of Agriculture child feeding programs, the Bureau of Indian Affairs schools, the Department of Defense schools and Head Start. Further, we recommend against the inclusion of the National Foundation on the Arts and Humanities.

Following are brief descriptions of all programs under consideration for which our recommendations differ from either the Ribicoff bill or the affected agency's recommendations.

Recommendations for Decision

1. National Science Foundation Science Education Directorate

The National Science Foundation (NSF) Education Directorate supports several faculty development, high school and undergraduate programs designed to improve and promote science education. These include the popular NSF faculty institutes, talent searches for high school students and undergraduate institutional support programs. (The NSF Education Directorate also supports several graduate research programs that we do not recommend for inclusion.)

NSF contends that the recommended Department of Education does not provide the proper context or expertise to administer effectively science education programs and argues that splitting science education and scientific research will diminish the quality of science education.

In our judgment, transfer of these programs has several advantages. It will:

- ° Improve the likelihood of increasing the quality of science education. The NSF has not had the resources to demonstrate and disseminate its products in schools and colleges.
- ° Broaden the focus of the department.
- ° Join these programs with other undergraduate and institutional assistance programs.

(See Tab 2 for a more complete discussion of this program.)

OMB AND DPS RECOMMEND INCLUSION OF THE SCIENCE EDUCATION PROGRAMS IN THE DEPARTMENT OF EDUCATION.

THE RIBICOFF BILL INCLUDES THE ENTIRE NSF EDUCATION DIRECTORATE IN THE DEPARTMENT OF EDUCATION.

APPROVE _____



DISAPPROVE _____

2. USDA Nutrition Education

The U.S. Department of Agriculture (USDA) administers nutrition education programs for the teaching of students and for the training of school food service workers under several existing authorities. The Administration will propose legislation this year to consolidate these separate authorities into a single \$27 million program.

USDA opposes transfer of this nutrition education program. USDA argues that this transfer proposal fails to recognize that Department's mission of educating the American public on proper food selection practices. In addition, USDA argues that this transfer will divorce nutrition education from USDA's nutrition research activities and create interdepartmental coordination problems.

We think that transfer of the student-oriented part of the nutrition education programs has the following advantages. It will:

- ° Increase the involvement of educators in nutrition education.
- ° Permit more expeditious development and dissemination of nutrition education curricula.
- ° Promote a more multidisciplinary approach to nutrition education, e.g., by planning curricula with other subjects such as health education and life sciences.

(See Tab 4 for a more complete discussion of this program.)

OMB AND DPS RECOMMEND INCLUSION OF THE STUDENT-ORIENTED PART OF NUTRITION EDUCATION IN THE DEPARTMENT OF EDUCATION.

THE PROGRAM IS NOT INCLUDED IN THE RIBICOFF BILL, BUT COMMITTEE STAFF HAVE INDICATED THAT IT WOULD HAVE BEEN IF IT HAD BEEN PROPOSED BEFORE S.991 WAS INTRODUCED.

APPROVE _____

DISAPPROVE _____

3. HEW Office of Civil Rights

The Office of Civil Rights (OCR) in HEW is responsible for enforcing laws and policies which prohibit discrimination in HEW programs. OCR investigates complaints, conducts periodic reviews and promotes voluntary compliance by recipients of HEW funds.

Seventy-five percent of the work performed by OCR is related to educational institutions, and according to OCR's estimates, more than 80 percent of its activity is devoted to education concerns.

In accordance with government-wide policy first expressed in Title VI of the Civil Rights Act of 1964, that all Federal agencies must be equipped with the capacity to assure nondiscrimination, it would be consistent to transfer the appropriate OCR staff to the new department.

HEW points out the concern that an education department, responsive to and controlled by educators, may be insensitive to civil rights compliance and enforcement in education programs. HEW recommends that a decision on transfer be deferred and that you consider transferring these programs to the new department or to a new, independent agency with government-wide responsibility for civil rights enforcement.

Although we share some of HEW's concerns, we disagree with their conclusions. Any delay in this transfer will diminish the Federal Government's ability to enforce civil rights laws. Delay would also create serious problems for the Administrator, especially with respect to the implementation of existing court orders. Transfer of these responsibilities to the Department of Education will:

- ° Be consistent with the Federal policy of locating civil rights enforcement in each agency.*
- ° Enhance enforcement by having the civil rights staff within the department and knowledgeable about the programs they monitor.
- ° Improve some compliance procedures in areas HEW has not had time to focus on, such as educational testing.

We propose that the OCR be independent and report directly to the Secretary of the Education department in order to reduce some of the concerns we and HEW have. We are also investigating other mechanisms that will protect the integrity of our efforts in this area. Deferral is unacceptable, however, since it would signal our lack of commitment to face this issue and lack of faith in the department itself.

(See Tab 5 for a more complete discussion of this issue.)

* The Civil Rights Reorganization Task Force believes that unless a change is made in the government-wide approach to services discrimination enforcement (which would not be possible until 1979), the present assignment of responsibility to each agency is appropriate and thus endorses the position set forth in this memorandum.

OMB AND DPS RECOMMEND INCLUSION OF EDUCATION-RELATED CIVIL RIGHTS RESPONSIBILITIES IN THE DEPARTMENT OF EDUCATION.

THE RIBICOFF BILL DOES INCLUDE EDUCATION-RELATED CIVIL RIGHTS RESPONSIBILITIES IN THE DEPARTMENT OF EDUCATION.

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DISAPPROVE _____

4. Johnson-O'Malley and Continuing Education Programs for Indians

The Johnson-O'Malley program, administered by the Department of Interior's Bureau of Indian Affairs (BIA), provides funds to public schools and to the small number of tribally controlled schools for supplementary educational benefits for Indian children from Federally recognized tribes. This program is similar to three programs administered by the Office of Education that support additional educational programs for Indian children in public schools.

BIA's continuing education program supports adult education, student assistance and junior college activities, all in non-BIA schools.

The Department of Interior believes that the decision regarding the inclusion of any Indian programs should be deferred pending the development of an Administration Indian policy. The Department notes that the Department of Education proposal will be made public just before the release of a major Departmental Task Force Study report recommending against the transfer of Indian education programs.

We think transfer of these programs will:

- ° Provide an opportunity to develop comprehensive policies and programs for Indian students in public--not BIA--schools by locating all Federal programs directly affecting these students in one agency.
- ° Create an opportunity to reduce costs to Indian students and postsecondary institutions.

(See Tab 10 for a more complete discussion of this issue.)

OMB AND DPS RECOMMEND INCLUSION OF INDIAN EDUCATION PROGRAMS IN THE DEPARTMENT OF EDUCATION.

THE RIBICOFF BILL DOES NOT INCLUDE THESE PROGRAMS BUT DOES SHIFT BIA SCHOOLS.

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DISAPPROVE _____

5. Youth Services Programs

Four departments and agencies administer services programs designed specifically for youth. The Justice Department administers the Juvenile Justice and Delinquency Prevention Program; HEW, the Runaway Youth Program; ACTION, the Service Learning Programs; and the Community Services Administration, the Summer Youth Sports and National Youth Sports Programs. These programs serve roughly the same target population and could be grouped together to form a major youth agency within the new department.

Inclusion of these programs will have the following advantages. It will:

- ° Create a Federal agency for youth issues and increase the likelihood of developing a comprehensive policy toward youth.
- ° Provide Federal leadership to encourage cooperation between schools and youth services and training programs.
- ° Increase the capability of the department to fulfill special learning and developmental needs of young people.

However, transfer of these programs has the following disadvantages. It will:

- ° Sever linkages between the transferred youth programs and the related social services and juvenile justice programs remaining in the parent agencies.
- ° Attract opposition from interest groups, particularly if the department does not also contain other programs with noneducation constituency groups, e.g., youth training programs and Head Start.

- ° Be a very small administrative unit that may have little visibility in the department.

The Department of Justice argues against transfer of the juvenile justice programs because the programs are not essentially educational and transfer would break the links with the correctional system.

ACTION opposes the transfer of the Service Learning Programs because of the belief that these programs support young people serving the needy and should therefore be part of the overall program of helping the poor.

HEW says that the transfer of the Runaway Youth Program should occur only if a youth agency were created that also included youth training functions from the Department of Labor. Otherwise, the department thinks that no demonstrable gains would accrue from the transfer.

However, HEW commented that the "youth agency worth working for" would include not only the Runaway Youth Program, but also the youth training functions from Labor, the juvenile justice program in the Department of Justice, and the Service Learning Program of ACTION.

(See Tab 11 for a more detailed discussion of these programs.)

OMB AND DPS RECOMMEND THAT THESE YOUTH SERVICES PROGRAMS NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION AT THIS TIME. WE SUGGEST THAT THE AFFECTED DEPARTMENTS AND AGENCIES WORK TOGETHER TO DEVELOP BETTER LINKAGES AND TO CONSIDER FURTHER ORGANIZATIONAL ARRANGEMENTS.

agree

THE RIBICOFF BILL DOES NOT INCLUDE THESE PROGRAMS.

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6. Youth Training and Employment Programs

These programs include:

The Job Corps, primarily a residential training program which provides remedial education and work experience for low-income youth, and the Summer Youth

Employment program, which allocates funds to prime sponsors for the creation of summer jobs for low-income youth. In addition, the Youth Employment and Demonstration Projects Act (YEDPA) has four components: The Youth Incentive Entitlement Pilot Projects is an experimental program which provides job guarantees to youths who are either in school or willing to return. The Young Adult Conservation Corps employs youth in conservation activities, Youth Community Conservation and Improvement Projects, employing youth in community improvement projects and the Youth Employment and Training Program, offering a broad range of youth-focused employment and training services.

Inclusion of these programs in the department would offer the following advantages. It would:

- ° Increase the quality of the educational aspects of youth training programs and strengthen the school-to-work mission of the department by linking vocational education and youth training programs.
- ° Attract other programs, particularly youth services programs described above, to the department by giving emphasis to nonclassroom-based educational alternatives.

On the other hand, the transfer of all these training programs would have the following disadvantages. It would:

- ° Sever linkages between CETA training programs and public service employment in the Department of Labor and diminish the opportunity to link these programs more effectively with the residual youth-oriented aspects of CETA and DOL's Employment Service.
- ° Complicate the administration of employment and training programs for prime sponsors who would have to deal with two departments instead of one.
- ° Spur opposition from labor unions, local prime sponsors, some Members of Congress and perhaps minority interest groups.

The Labor Department notes that transfer ignores the labor market orientation and jobs focus of these programs. At the same time, they foresee a situation in which local program operators would have to deal with two Federal departments. Moreover, the Labor Department fears that localities would be less responsive to Federal training programs if the programs were located in the new department.

However, DOL concurs in the need for improved coordination mechanisms and is receptive to the prospect of transfer of some YEDPA programs in 1980, which is the completion date for certain demonstration programs.

(See Tab 12 for a more detailed discussion of these programs.)

OMB AND DPS RECOMMEND THAT THESE YOUTH TRAINING AND EMPLOYMENT PROGRAMS NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION AT THIS TIME. WE SUGGEST THAT A THOROUGH REVIEW OF THE YOUTH TRAINING PROGRAMS IN THE EDUCATION AND LABOR DEPARTMENTS BE UNDERTAKEN TO DEVELOP BETTER COORDINATION AND TO CONSIDER FURTHER ORGANIZATION OF THESE PROGRAMS. *agree*

THE RIBICOFF BILL DOES NOT INCLUDE THESE PROGRAMS.

APPROVE _____

DISAPPROVE ✓

7. Project Head Start

Project Head Start in HEW provides a range of education, health, nutrition, social and other services primarily to economically disadvantaged preschool children and their families. In FY 1979, Head Start will serve more than 400,000 children in programs operated by 1,440 grantees. Some 30 percent of these grantees are local school systems, while the remainder are community-based organizations and nonprofit agencies. All programs rely on active parental involvement as a vital part of the program design.

Including Project Head Start in the Department of Education would offer the following advantages. It would:

- ° Enhance opportunities for improved coordination between preschool and elementary programs.
- ° Serve as a model for alternative and more comprehensive approaches to education, child development, staff training and parent involvement and in their children's development.
- ° Broaden significantly the scope of the department.

However, transfer of Head Start would have the following disadvantages. It would:

- ° Risk disruption of the unique comprehensive and community-based character of the program.
- ° Reduce opportunities to create a family-oriented human services system centered around Head Start. *I don't favor this*
- ° Threaten the current employment and involvement of disadvantaged citizens in the program.
- ° Stir impassioned opposition from child advocacy groups and the civil rights communities.

HEW argues that transfer of Head Start would jeopardize its distinctive program attributes, particularly active parent and community involvement, and would reduce linkages between the program and other closely related social and health services. Further, HEW cites the likelihood of intense political opposition to the creation of the department if transfer of Head Start is recommended.

(See Tab 13 for a more detailed discussion of Head Start.)

OMB AND DPS RECOMMEND THAT HEAD START NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION AT THIS TIME BECAUSE IT PROVIDES A RANGE OF HEALTH AND SOCIAL SERVICES THAT ARE BEYOND THE SCOPE OF THE PROPOSED DEPARTMENT. WE RECOMMEND, HOWEVER, THAT THE DECISION TO DEFER TRANSFER BE REVIEWED AT A LATER DATE.

THE RIBICOFF BILL INCLUDES PROJECT HEAD START.

agree

APPROVE

✓

DISAPPROVE

8. Department of Defense Dependents' Schools

The Overseas Dependents' Schools currently operate 267 schools to educate about 135,000 student dependents of military personnel. (Excluded from this system are 25 schools with approximately 30,000 students located in the continental U.S., which are supported through the Office of Education where there are no local schools available.) About 77 percent of the enrollment is in the European area, which extends to the Persian Gulf.

Inclusion of this school system would have the following potential advantages. It would:

- ° Be likely to improve the quality and scope of the students' education through the availability of the resources of the new department.
- ° Contribute to the vitality of the new department.

There are several potential disadvantages of transferring the DOD Schools. It would:

- ° Create problems of coordinating overseas logistical and housekeeping support.
- ° Be opposed by military personnel, and might have a negative effect on morale.
- ° Be likely to lead to excessive intrusion of the new department in the educational process of the schools.

The Defense Department argues that the schools should not be transferred because it would involve a substantial risk of diminishing their quality and would elicit strong negative reactions from the military services.

(See Tab 15 for a more detailed discussion of the schools.)

OMB AND DPS RECOMMEND THAT THE DEPARTMENT OF EDUCATION HAVE A LIMITED OVERSIGHT ROLE INCLUDING MONITORING AND EVALUATING THE QUALITY OF THE DOD SCHOOLS, BUT WE RECOMMEND THAT THE DEFENSE DEPARTMENT CONTINUE TO OPERATE THESE SCHOOLS.

THE RIBICOFF BILL DOES INCLUDE THE DOD SCHOOLS.

agree

Approve



Disapprove

9. The National Foundation on the Arts and Humanities

The National Foundation on the Arts and Humanities was established in 1965 as an independent agency composed of the National Endowment for the Arts, the National Endowment for the Humanities and the Federal Council on the Arts and Humanities. The Federal Council performs a coordination function, while each Endowment pursues its objectives by providing financial assistance and national leadership in its field. The Endowment for the Humanities provides support for academic institutions and individuals and organizations to underwrite the production and understanding of and access to humanistic knowledge. The Endowment for the Arts makes grants to individuals and organizations to make the arts more widely available, to preserve our cultural heritage, strengthen cultural organization and to support the nation's best artistic talent.

Transferring the National Foundation on the Arts and Humanities would offer the following advantages:

- ° The role of the Humanities Endowment would be broadened in view of its new relationship with education.
- ° The Humanities would provide a bridge to expand the learning process beyond formal schooling through the support of non-academic institutions, e.g., libraries and museums.
- ° By including the Arts Endowment, the Federal education role would be broadened and would redefine the concept of education by mainstreaming arts at the local level.
- ° The higher education community would be more interested in the department if it included the Humanities Endowment and its institutional assistance activities.

However, transfer of Endowments would have the following disadvantages:

- ° Transferring the Endowments might inhibit or eliminate their advocacy role.
- ° Little, if any, administrative simplification could be achieved through transfer. Both the Arts and Humanities Endowments have unique programs that could not be easily administered by the department without recreating much of the Endowments' administrative structure and procedures.
- ° There would be significant political opposition from supporters of the Endowments to transferring them.

The Endowments believe they should remain independent.

(See Tab 16 for a more detailed analysis of this issue.)

OMB AND DPS RECOMMEND THAT THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION.

THE RIBICOFF BILL DOES INCLUDE THE ENDOWMENTS.

agree

Approve



Disapprove

10. Bureau of Indian Affairs Schools

Bureau of Indian Affairs (BIA) schools educate about 50,000 Indian children, somewhat less than one-fourth of reservation children. In addition, dormitories are maintained near public schools. BIA also shares the administration of most Office of Education programs serving Indians, disbursing the funds to its schools through a BIA consolidated working fund.

Inclusion of the schools would have the following advantages. It would:

- ° Locate all Federal programs supporting the education of Indian children in one agency, facilitating the development of a comprehensive Indian education strategy for the Federal Government.

- ° Permit better tracking and coordination of Office of Education programs conducted in BIA-administered schools. These have been a frequent subject of criticism.

The transfer could also incur some disadvantages.
It would:

- ° Generate opposition from Indians, especially tribal leaders.
- ° Run the risk of putting the schools in an agency that does not recognize the trust and other responsibilities of the Federal Government to the Indians.
- ° Create administrative problems surrounding program eligibility, Indian preference in hiring, etc., all of which have political overtones.

On balance, we think that inclusion of the BIA schools at this time is inappropriate in the absence of a comprehensive Federal policy on Indians, Indian self-determination and the future of BIA. Once these issues are resolved, however, it may be desirable to transfer the schools to the department. For the present, the department should be given limited oversight and technical assistance responsibilities for the schools.

The Department of Interior believes that the decision regarding the inclusion of any Indian programs should be deferred pending the development of an Administration Indian policy. The Department notes that the Department of Education proposal will be made public just before the release of a major Departmental Task Force Study report recommending against the transfer of Indian education programs.

(See Tab 17 for a more complete discussion of this issue.)

OMB AND DPS RECOMMEND THAT THE BIA SCHOOLS NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION AT THIS TIME, BUT RECOMMEND THAT THE DECISION TO DEFER TRANSFER BE REVIEWED AT A LATER DATE.

THE RIBICOFF BILL RECOMMENDS INCLUSION OF BIA SCHOOLS
IN THE DEPARTMENT OF EDUCATION. *agree*

Approve ✓ Disapprove

11. Child Nutrition Programs

The child nutrition programs, which are in the Ribicoff bill, are (1) the National School Lunch Program, (2) the School Breakfast Program, (3) the Special Milk Program, (4) the Child Care Food Program, and (5) the Summer Food Service Program. These programs subsidize the service of meals to children in schools, day care centers, orphanages, summer camps, etc.

There are unresolved questions concerning these programs that relate to the scope and structure the Department of Agriculture will ultimately take. Secretary Bergland and his staff have been trying to broaden USDA's constituency by focusing more attention on food consumer concerns. The child nutrition programs and the food stamp program are USDA's principal consumer-oriented programs. The Administration's Better Jobs and Income Program would eliminate food stamps, leaving the five major child nutrition programs as USDA's principal programmatic link to consumers. A decision now to transfer these programs would all but foreclose the possibility of USDA's assuming a comprehensive food and nutrition (producer and consumer) role. The potential viability of this role is currently under study in the reorganization project's Food and Nutrition Study, and a decision now to transfer these programs would also preempt a large part of that study. Beyond these concerns, there are few compelling arguments for or against transfer of these child nutrition programs to the Department of Education.

(See Tab 18 for a more detailed discussion of this issue.)

OMB AND DPS RECOMMEND THAT THE CHILD NUTRITION PROGRAMS NOT BE INCLUDED IN THE DEPARTMENT OF EDUCATION AT THIS TIME BUT THAT WE RESERVE THE OPTION TO TRANSFER THE PROGRAMS AT THE CONCLUSION OF RELATED REORGANIZATION STUDIES.

THE RIBICOFF BILL RECOMMENDS INCLUSION OF THESE PROGRAMS.

agree

Approve



Disapprove

12. Educational Broadcasting Facilities and Demonstration Programs

The Educational Broadcasting Facilities Program supports the continuation, expansion, and improvement of non-commercial educational television and radio broadcasting facilities. The Telecommunications Demonstration (nonbroadcast) program encourages innovation in the use and adaptation of electronic technology for transmission and distribution of information.

You have recommended transferring the Educational Broadcasting Facilities Program authority to the Corporation for Public Broadcasting.

Transferring the remaining Telecommunications Demonstration program to the Department of Education would have these advantages. It would

- ° Broaden the department's capacity to support innovative information delivery systems.
- ° Help school systems educate isolated and non-English-speaking children.

(See Tab 6 for a more detailed discussion of these programs.)

OMB AND DPS RECOMMEND THAT YOU MAINTAIN YOUR POSITION TO TRANSFER THE BROADCAST FACILITIES PROGRAM TO THE CORPORATION, BUT THAT YOU SUPPORT TRANSFER OF THE TELECOMMUNICATIONS DEMONSTRATION PROGRAM TO THE DEPARTMENT OF EDUCATION.

agree

THE RIBICOFF BILL DOES INCLUDE BOTH THESE TELECOMMUNICATIONS PROGRAMS IN THE DEPARTMENT.

APPROVE

✓

DISAPPROVE

IV. NEXT STEPS

A. Building Support for the Proposed Department of Education

Jim's testimony before Senator Ribicoff on April 14 will reflect the decisions you have made in response to this memorandum. We should take some actions to highlight this initiative. This approach might involve issuing a press statement, conducting a news conference or using some available public forum to reiterate your commitment to create a Cabinet Department of Education.

Immediately after the Ribicoff hearings, we should ask Jack Brooks, Carl Perkins, John Brademas, Frank Thompson, Bill Ford, Frank Horton and perhaps several other key House members to introduce a bill similar to what we have proposed in the Senate. If the Senate hearings go well, and Senator Ribicoff reports a bill to the Senate by early May, we believe Jack Brooks can be convinced to open hearings in May or early June. This would provide time to pass a House bill this year. We may ask you to talk later this month with the House leadership and some of the prospective sponsors of a bill to create a department.

B. Structure of the New Department

Determining the programmatic content of a new department largely defines the agency's character. In this section, we bring to your attention six issues concerning the way the new department will be organized. No decision on these matters is requested at this time. A more extensive discussion of many of the issues noted here is included as Tab 19.

1. Intergovernmental Relations

We are examining several ways to develop a more productive relationship between the Federal Government and State, local and private agencies concerned with education and education-related programs. These include program consolidation, the elimination of unnecessary regulations, simplification and standardization of application and reporting procedures and other incentives that will encourage an improved intergovernmental perspective among Federal officials.

Further, we are considering recommending the establishment of an Intergovernmental Advisory Council on Education. This Council would be similar in function and membership to the U.S. Advisory Commission on Intergovernmental Relations. The proposed Council would report to the Secretary of Education, who would appoint most of its members. We see the Council as an alternative to provisions in S.991 which would establish a National Advisory Commission on Education (NACE), which we believe you should oppose. In our judgment, NACE, as described in the Ribicoff bill, would compete with and thus undermine the leadership role of the Secretary of Education, impede interagency coordination, reduce opportunities to hold Federal administrations accountable and would not improve public access to Federal decisionmaking. (See pages 1-6 of Tab 19.)

2. Interagency Coordination

Regardless of whether you decide on a narrow or broader department, numerous education-related programs will be beyond the department's direct authority. Current efforts to bring about interagency coordination center on the Federal Interagency Committee on Education (FICE) and have had only limited success.

Providing the chief education officer with Cabinet status and with a clear lead role in the development of education policy throughout the Federal Government are necessary but insufficient steps for developing a coherent and mutually reinforcing set of education-related programs. We will recommend establishing an interagency mechanism led by the Secretary of Education that will be adequately staffed, linked directly to the policymaking process and organized so as to allow responsiveness to changing priorities and a task-force approach to specific, continuing problems requiring concerted action across agencies. (See pages 7-9 of Tab 19 for a further discussion of this issue.)

3. Intradepartmental Structures

While final strategies and proposals for intradepartmental organization must await the determination of the overall composition of the department, we believe that programs should be organized around the target groups, e.g., the handicapped, or functions, e.g., higher education. Moreover, the rank of leaders within the department should depend on the magnitude and complexity of the programs. These principles will lead us to a different internal structure than that outlined in S.991, which gives greatest recognition to staff and cross-cutting support functions. (See pages 10-12 of Tab 19.)

4. Assurances to Transferred Programs

Should you choose a broader department, it will be desirable to provide the affected agencies and their constituencies with assurances that the integrity and importance of the transferred programs will be sustained. The organizational status of these programs within the new department is one important aspect of such assurances. In addition, "guarantees" of program maintenance and

development might include specific, long term statutory definition of essential program characteristics and Administration commitments to minimum funding and staffing levels. (See pages 10-14 of Tab 19.)

5. Public Involvement

In recent years, the desirability and efficiency of involving parents and other members of the public more directly in educational decisionmaking and program implementation have been emphasized. We are considering a proposal to establish within the new department an Office for Public Involvement reporting directly to the Secretary. This office would monitor and evaluate existing requirements for public and parental involvement and would provide counsel to the Secretary on this issue. The office would be subject to a three-year "sunset" stipulation. (See pages 15-16 of Tab 19.)

6. Oversight of Programs Offering Formal Educational Services

The department should exercise limited oversight of specified programs in other departments and agencies. The programs involved would be those that actually deliver educational services. Examples of such educational programs are the Department of Defense Overseas Dependents' Schools, Indian schools administered by the Bureau of Indian Affairs, schools in Federal correctional institutions, and credit-granting educational programs sponsored by the Department of Labor. These responsibilities would be exercised through evaluation of student performance, review of standards and accreditation, curriculum and instructional practices, and technical assistance. Under this provision, the Department of Education would not have direct policymaking or administrative authority over these programs. (See page 17 of Tab 19.)

THE WHITE HOUSE
WASHINGTON

4/12/78

Mr. President:

Congressional Liaison and the Vice President had no comment on the Department of Education decision memo.

I have not submitted a memo from Secretary Marshall (objecting to the transfer of DoL youth training and employment programs to the new Education Department), as the Eizenstat-McIntyre memo summarizes agency views.

Dick Pettigrew's comments are attached.

Rick

WASHINGTON

DATE: 11 APR 78

FOR ACTION: STU EIZENSTAT

JACK WATSON

JIM MCINTYRE

RICHARD PETTIGREW

*not submitted
summarized by Stu*

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

JODY POWELL

CHARLIE SCHULTZE

attended concur

SUBJECT: MARSHALL MEMO RE EMPLOYMENT AND TRAINING PROGRAMS AND THE
NEW DEPARTMENT OF EDUCATION

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 13 APR 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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ACTION	FYI	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
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<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
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<input type="checkbox"/>	STRAUSS
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<input type="checkbox"/>	WARREN

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

April 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Secretary of Labor, Ray Marshall *for*

SUBJECT: Employment and Training Programs and the
New Department of Education

This memorandum will provide you with my comments on the proposals for the new Department of Education, specifically the proposal to transfer several Department of Labor youth training and employment programs to the new Department. I believe the consideration of such a transfer is based on a misunderstanding of employment and training programs in general and little understanding of the specific programs targetted for transfer.

The following three points summarize the problems I see in the proposal:

- ° Our employment and training programs, for youth and adults, have the primary purpose of providing jobs, whether through job creation, job training or the matching of workers and jobs. In contrast, education programs, have the goals of teaching basic competency and some analytical skills. There are certain important interrelationships between these two types of programs. However, these missions are separate and should remain so. Transfer of programs between agencies would achieve little and would undermine the basic purpose of each.
- ° Minor changes in organizational location of employment and training programs achieve little in the way of better linkages between

the two activities. Moreover, minor changes would create dual jurisdiction problems in local communities where one program operator would deal with two federal agencies.

- ° The new Department of Education would work through the present education system where funding is predominantly from state and local sources and federal influence is limited. State, local and private funding of education was approximately \$108 billion in 1976 or 88% of all education expenditures. A national level transfer of employment programs would do little to determine how education services are delivered at the local level. Significantly better education programs and improved coordination between education and employment programs can only occur by influencing the spending of education dollars at the local level. The Labor Department funds programs through local employment and training offices, yet exercises substantial control and can influence local program design. Consequently, employment and training programs can be used to leverage local education funds at the local level and improve program linkages. This leveraging is currently going on to a significant extent as local employment and training programs have formed a variety of coordinative arrangements with educational institutions.

RISKS

In addition to the lack of any program gains, there are serious risks inherent in a transfer of training programs. These include:

- ° Loss of Labor Market Orientation:

An important feature of the Labor Department's employment and training programs has been the ability to change programs mix to respond to the business cycle and the needs of the labor market. For example, training programs have increased during periods of high economic activity and decreased in recessions. Conversely,

public jobs programs have increased during recessions. The programs also have the ability to shift emphasis among target groups, and have flexibility with respect to geographic allocation of funds. The kind of flexibility needed to keep the labor market well aligned in these general terms is best located in a labor market agency. It is not the proper role for an Education Department, which has no economic expertise and no history of response to overall labor market issues. The inclusion of workplace related programs in a new Education Department for "broadening" purposes ignores the record of operation of the programs in this Department. As mentioned in the decision paper, the great bulk of labor market policy will continue to be made by DOL and the proposed transfer would only remove some youth programs that would require coordination with this Department.

° Confusing Administrative Mechanisms.

A new established DED would likely operate its education programs as the Office of Education does now, through state and local education agencies. Since it would be very difficult to transfer job training programs to local education agency administrations, the paper proposes that DED be responsible for some operations through state and local education agencies and some operations through employment and training service agencies. This will cause an administrative nightmare at the national level and nothing is gained. Such a proposal has adverse consequences at the local level, where employment and training agencies would deal with two federal departments and would have their comprehensive labor market service systems totally disrupted. It would have no benefits for local education agencies who will still be dealing with a separate labor market institution. The decision paper points out the danger of this fragmentation.

- ° Loss of Emphasis on Disadvantaged and Youth.

The CETA system is targetted on the disadvantaged unemployed, particularly minorities, who are well outside the orbit of the schools and are for all practical purposes beyond reach of the schools and educational institutions. Federal training and jobs programs came into being because schools and other institutions had failed certain segments of society. There are large stakes involved in reaching and serving these persons so that they can become productive members of the labor force. There would be serious risks in shifting responsibility for this group to an education agency, which has a primary emphasis on the education of younger elements of the total population, and no history of dealing effectively with the problems of the most needy.

PROGRAM DISCUSSION

A discussion of these three programs suggested for transfer might prove useful in understanding our view of labor market programs and the place of these particular programs in an integrated system of services.

- ° Job Corps.

This program has developed a close partnership with the State Employment Service offices for recruiting and screening enrollees, and providing follow-up services to completers. A transfer of the Job Corps from DOL would jeopardize this important link to the state employment services and to the local CETA system. Also, the Job Corps is now in the process of doubling its size. A transfer of the program may not only be disruptive, but could hinder successful expansion.

- ° Youth Demonstration Programs.

It has been suggested that the DED be responsible for one youth employment and training program authorized by the new Youth Act. This recommendation is based in the fact that the program design

in question provides for coordination with the schools attended by the program participants. The proposed shift fails to recognize the basic program goal of providing youth (predominantly economically disadvantaged, or those experiencing severest or multiple barriers to employment), with a chance to gain financial income through a work opportunity. This work opportunity develops work habits, skills, and other competencies required for later entry into the world of work. DOL works with local schools to arrange academic credit, occupational information and other services in support of the basic work program. The program in question is a demonstration project, designed to be a one-time experiment to test whether jobs can be feasibly guaranteed. It is expected to last for 18 months and will either be expanded nationwide (which will require enormous job creation capacities) or terminated. Its administration should rest with the Department of Labor.

° Summer Program for Economically Disadvantaged Youth.

The summer program helps economically disadvantaged youth in the labor market by giving them work experience, which results in job skills, good work habits and attitudes. Since the program is aimed at employment and enhancing employability, it should remain in the Department of Labor.

In addition to the foregoing discussion on problems with transfer of specific programs, I find that the points made in the "Problems and Opportunities" statement in support of transfer, have little substance. I do not believe that the fragmentation in policy development for education and training programs now exists, or that there is the suggested dispersion of decision-making authority for education programs per se other than the heavily state and local involvement to which I have referred. Also, Department of Labor programs do affect the structural unemployment needs of individuals in training and employment programs. The decentralized CETA system

is designed to better serve the needs of individuals in their localities, and to come up with strategies of service that will lead to gainful employment. To suggest that DOL programs are in the main short-term, stop-gap measures is a gross misrepresentation.

Finally, I do not believe that the mere "opportunity" to create a comprehensive youth agency argues for programs' removal from other agencies without the concomitant argument that better programs will result. I believe that my preceding discussion, shows that the latter argument has not been made.

COORDINATION

The need to establish linkages between education and employment programs at the Federal level is unavoidable. It is tempting to think that shifts in function among cabinet agencies can achieve this. The mainstream CETA system, along with Employment Service network and the apprenticeship training programs should remain centered on labor market realities and out of the education system. Any functional shifts of a partial nature will leave substantially unchanged the need for coordination between the two Departments. The CETA system, augmented by requirements of the new youth legislation, moves us in the right direction. The following are examples of present coordination:

- ° The local and state planning councils and State Manpower Services Councils established under CETA mechanisms contain educational agencies, which provide for joint review of manpower efforts in communities.
- ° The new youth legislation provides that at least 22% of funds for youth employment and training projects be spent in accordance with mutually agreed upon plans of Prime Sponsors and local education agencies (LEAS). We are in fact spending a higher proportion than that through LEAs.

- ° The idea of schools conferring academic credit for practical work experience is being promoted on a widespread basis in the new youth programs.
- ° Five percent of CETA Title I funds are set aside for distribution to vocational education purposes. CETA prime sponsors use community colleges, vocational schools, and secondary schools to deliver services to clientele.

ADDITIONAL OPTIONS FOR FUTURE COORDINATION INCLUDE:

- ° Allowing and encouraging State and the Prime Sponsors and LEAs within them to submit on an annual basis combined plans covering CETA and Vocational Education Act Activities.
- ° Funding additional Work and Education Councils, from funding sources both of DOL and the new Department of Education.

ADDITIONAL OPTIONS FOR TRANSFER

It may well be that a number of programs funded under the Youth Act would be appropriate for transfer to the Department of Education after the demonstration aspects of those programs have been completed in 1980. I would suggest that any decisions on Youth Act programs be deferred until that time with the understanding that they would then be analyzed for possible inclusion in the new Department.

WASHINGTON

DATE: 11 APR 78

FOR ACTION: STU EIZENSTAT

JIM MCINTYRE

JACK WATSON

RICHARD PETTIGREW*cc. Tom*

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

JODY POWELL

CHARLIE SCHULTZE

SUBJECT: MARSHALL MEMO RE EMPLOYMENT AND TRAINING PROGRAMS AND THE
NEW DEPARTMENT OF EDUCATION

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 13 APR 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (☒) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Rap

DATE: 11 APR 78

FOR ACTION: STU EIZENSTAT

JACK WATSON

JIM MCINTYRE 1978 APR 11 AM 11 52 RICHARD PETTIGREW

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

JODY POWELL

CHARLIE SCHULTZE

SUBJECT: MARSHALL MEMO RE EMPLOYMENT AND TRAINING PROGRAMS AND THE
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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 13 APR 78 +
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ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I fully concur with Marshall and would not recommend the transfer of the employment and training programs discussed in this memo to the proposed DOE.

The Political Climate

Since November, the Reorganization staff has consulted with a wide range of interested organizations, Members of Congress, State and local officials and other individuals. We have also discussed our proposals with Cabinet officers and agency heads. As a result, we have found that many people support the concept of establishing a separate Department of Education. There is little consensus, however, on what programs should be included in it. Moreover, some who support the concept do not favor action to establish the department because of the controversy that may be aroused, uncertainty about its specific goals and possible accomplishments or fear that it will be controlled by the traditional "education establishment." Several interest groups do not oppose the department but will resist transfer of programs that serve their constituents.

° Reactions in Congress are Mixed

Senator Ribicoff's proposal now has 58 cosponsors, and it is likely that legislation creating the department will clear the Governmental Affairs Committee. We anticipate that the Senate will pass the bill this year, although it will face some opposition. Senator Pell, who chairs the Education Subcommittee, some other members of the Human Resources Committee, and Senator Magnuson, Chairman of the HEW/Labor Appropriations Subcommittee, support the legislation. If child nutrition programs are seriously considered for transfer from the Department of Agriculture, opposition can be expected from Chairman Talmadge and other members of the Agriculture Committee. Chairman Talmadge does support inclusion of the nutrition education program in the department, however. Some conservatives may oppose the proposal because they believe that it will increase the Federal Government's role in local educational policy. Senator Williams and most pro-labor Senators probably will oppose any transfer of programs from the Department of Labor. Senator Abourezk favors an incremental approach in creating the department, and agrees with our proposal to transfer the Johnson-O'Malley and Continuing Education programs for Indians to the Department of Education as a first step in this process.

Action by the House this year is uncertain. Although they are not enthusiastic, most Members of the House seem willing to support the new department. Congressman Brooks, key members of the Education and Labor Committee, such as Representatives Perkins, Brademas, Ford and others, are in a "wait and see" posture.

In their judgment, if the Senate passes a bill in May and the Administration makes its proposal soon, there is a chance it could pass the House this year. The inclusion of Head Start and some Labor Department employment and training programs in a new department, however, may provoke what the House leadership wants to avoid this election year -- more disputes among Democrats. On the other hand, some Members, especially Ford, Brademas and Quie, are also concerned that a department not be so narrow that it is "teacher-controlled."

° Education Groups Generally Support Establishing the Department

The National Education Association (NEA) and most major elementary and secondary education groups strongly and actively favor the concept. The NEA believes that the department should include as many programs outside HEW's Education Division as possible. The American Federation of Teachers (AFT), headed by Albert Shanker, continues to oppose creating a Department of Education. However, he stated recently that the more broadly based the department, the greater the likelihood that the AFT's opposition would decrease. Higher education groups continue to remain aloof from the issue, although, on balance, they will support a department.

° Civil Rights Groups Are Not Enthusiastic, but Believe Some Gains Could Result from a New Department

They do share a common concern that a teacher and school administrator-controlled department might not be responsive to them and may drag its feet in enforcing civil rights laws. As a result, they favor a more broadly based department which would attract other constituencies and will expect specific structural and procedural safeguards for the department's civil rights enforcement activities. These groups will actively oppose inclusion of Head Start because of their close relationship with child advocacy organizations that oppose moving Head Start from HEW. They are also concerned that the minority-controlled, community-based character of the program will be altered if the program is transferred from HEW.

° Organized Labor Generally Opposes the New Department

The AFL-CIO's recent resolution opposing the department probably reflects primarily the position of the AFT more than other member unions. Nonetheless, any recommendation to transfer employment and training programs from the Labor Department will provoke organized labor's strong opposition. This may lead to the unions opposing vigorously not only the transfers but also the creation of the new department.

° Organizations Representing State and Local Elected Officials Are in Agreement with Ribicoff's Proposal

Several organizations of State and local officials believe the department will improve intergovernmental relations by creating a clear point of access for them on education issues. Mayors and county officials, however, will oppose transferring employment and training programs from the Department of Labor. In general, however, these organizations are not likely to become involved unless they believe State and local governments will be affected directly.

° Other Interest Groups Are Divided

- The U.S. Catholic Conference opposes the department because it believes the new department will be even less responsive than HEW to the needs of private education.
- Most child advocacy groups do not hold strong views on the creation of a Department of Education but oppose vehemently including Head Start in it. They will probably oppose the entire initiative if Head Start is proposed for inclusion.
- Nutrition advocates and some school food service employees oppose inclusion of the child nutrition programs in the department. Some school food service managers support transfer of the programs if adequate assurances are provided to enhance the stature and improve the operation of the programs.
- Youth organizations support the department and will favor creating a youth agency consisting of youth services and employment and training programs. However, they would not favor transferring only youth services programs without the employment and training programs.

- Indian organizations fear any reorganization of their programs before the articulation of a comprehensive policy toward Indians by the Administration. Unless assurances are made to the contrary, they will see proposed transfers as a move toward "termination" of the special relationship between the Federal Government and the tribes.

2. Science
Education

Science Education ProgramsI. Program Description

Agency: National Science Foundation, Science Education Directorate

Budget: FY 1979 request: \$77.6 million

Faculty development and
undergraduate programs
proposed for transfer \$56.3 million

Graduate research training
and scientists-nonscientist
communication programs
remaining 21.3 million

\$77.6 million

Personnel: Approximately 90

1. Teacher Training Programs (\$10.2 million) are primarily designed to improve and update the quality of experienced teachers and college faculty. Since the early 1950's, these workshop and institute-type programs have been extremely popular among teachers, and in 1979 some 18,000 persons will participate.
2. Student-Oriented Programs (\$2.3 million) are directed at identifying and involving some of the Nation's most talented high school students. In 1979, some 5,000 students will participate in these programs, many of whom will be minorities and females who will receive encouragement to enter scientific fields.
3. Institutional Support Programs (\$29.7 million) provide funds for improving institutional facilities and equipment, primarily at two- and four-year colleges, as well as colleges which serve blacks and other minority groups.
4. Science Education Research and Development Programs (\$11.7 million) will emphasize developing new and innovative curricula and technologies and designing science programs for all youths, rather than those created exclusively for the gifted and talented.

5. Public Understanding of Science Programs (\$2.4 million) are designed to improve the public's understanding of scientific principles and technological content which may be involved in broader public policy and political issues. These programs rely more on the use of television, radio and museums than on traditional school programs. For example, Children's Television Workshop, the producer of Sesame Street, will develop a science education series for children aged 8-12 in 1979.

Certain Science Understanding projects, e.g., those requiring a more direct involvement of the scientific community, will remain in the National Science Foundation (NSF).

II. Problems and Opportunities

1. Separation of responsibilities for the development and implementation of overall education policies (HEW) and science education (NSF) limits the Federal role to improve the quality of science teaching and learning.
2. Declines in science achievement over the past decade require a renewed national concern and commitment. According to separate studies conducted by HEW and the NSF, science, social science and math teachers "felt themselves inadequately trained" and students aged 9, 13 and 17 "tended not to perform as well as they did three to four years earlier."
3. The role and priorities of science education have changed. With a national shortage of trained research scientists in the 1950's, NSF devoted almost half of its total budget to science education; 86 percent of that went to recruiting new scientific talent and to the training of science faculty.

Today, with an adequate supply of scientists, NSF spends only 8 percent of its budget on science education, and about 25 percent on recruitment and training of science faculty and researchers. It now devotes almost 15 percent of its science education budget for improving educational opportunities for handicapped persons, women and minorities, and approximately half of its science education budget to undergraduate programs.

4. Certain science education programs involve missions and strategies that duplicate larger service and institutional programs administered by the Education Division in HEW. NSF programs designed to improve the quality of college-level instruction (Comprehensive Assistance to Undergraduate Science Education--CAUSE) are similar to programs supported by the Fund for the Improvement of Postsecondary Education (FIPSE) in HEW. Minority institutional assistance programs in science (MISIP) relate closely to the much larger Developing Institutions Program administered by HEW's Office of Education. And NSF programs designed to encourage minorities, women and handicapped persons to enter technical careers are duplicative and quite minor in comparison to efforts currently underway in the education programs in HEW.

III. Assessment

Transferring the science education programs would have the following advantages:

1. A Department of Education which assumes the responsibility for improving the overall quality of schools and school curricula should be given responsibility for involving talent, program expertise and information within the scientific communities.
2. Transfer of science education responsibility will improve the likelihood of having a significant Federal impact on the quality of science education programs offered in all the Nation's schools and colleges. The NSF has not had the resources to demonstrate and disseminate the products (science and social science curricula) developed with its research and development funds.
3. A major department with a mandate to report annually on the "condition of education" and with an annual budget for education programs in excess of \$12 billion will be in a better position to develop appropriate policies and to reallocate available resources to meet educational needs, including science education.

4. Consolidating those Federal educational programs aimed specifically at improving access of minorities, women and the handicapped will emphasize the Administration's commitment to alleviating problems of inequity and discrimination in education.
5. Science and social science programs will broaden the base of the new agency. A strong and visible commitment to academic disciplines may increase the commitment and interests of the university and scholarly communities in educational problems.
6. The transfer of science education programs should not affect the overall mission of the NSF. The particular programs proposed for transfer do not relate closely to the science community's interest in maintaining the quantity and quality of scientific manpower and institutional resources that are required to sustain the Nation's leadership in basic research. The NSF would continue to serve as the lead Federal agency for monitoring the quality and status the Nation's scientific resources.

Transferring these programs would have the following disadvantages:

1. Transferring science education programs from NSF could reduce the involvement of the science and research communities in science education.
2. Subcommittees dealing with scientific research in the House (Representatives Teague and Fuqua) and the Senate (Senator Kennedy) will be reluctant to give up authorization overviews. These committees have played major roles in determining Federal science education policies, particularly in shifting resources to help science programs in two- and four-year colleges, including minority institutions.
3. An agency without scientific and research talent operating at its helm would be less sensitive to and supportive of science education programs. In contrast, both the Director and Deputy Director of NSF were trained as research scientists.

4. The substantive link between science education programs and basic research programs would be reduced by separating these programs. Science focuses on the creation of new knowledge, and teaching it effectively depends on that knowledge. To minimize this potential disadvantage, the Department of Education would have to work closely with NSF and assure continued scientific input.
5. Policies relating to increasing access to and participation in education, which dominate most Federal education programs, might take priority over the policies stressing high standards, excellence and competition which are stressed by NSF officials and the NSF Board.

2. Science
Education

3. College Housing

College Housing ProgramI. Program Description

Agency: Office of the Assistant Secretary for Housing/
Federal Housing Commissioner, Department of
Housing and Urban Development

Budget: FY 79: Proposed for liquidation
FY 78: Budget \$111 million

Personnel: 3

Title IV of the Housing Act of 1950 authorizes loans to colleges and universities (and to certain other eligible institutions) at 3 percent interest for the construction or acquisition of housing and related facilities for students and faculty. The College Housing Program has offered two types of assistance: direct Federal loans and debt service grants to support private market loans. The grant portion of the program was terminated in 1974 when Congress rescinded unused debt service grant funds. At present, instead of awarding grants, HUD is conducting a limited direct loan program using the repayments of previous loans to provide annual funds. The HUD budget recommends the transfer of the assets and liability of the college housing loan fund to a revolving fund for program termination in 1979.

In 1945, the American Council on Education testified before the Senate Committee on Banking and Currency about an urgent college housing problem: of veterans, especially veterans with families, returning to colleges and universities. The critical housing shortage created by the GI Bill was also attributable to both an increase in the numbers of women seeking post-secondary education and to the halt in construction during World War II. Therefore, the college housing problem was described as a housing problem rather than an education problem. That characterization was the impetus for the enactment of legislation to provide grants and low-cost government-insured loans.

II. Problems and Opportunities

The College Housing Program shares the common goal of increasing the physical capacity of higher education institutions with the Higher Education Facilities Loan and Insurance Fund located in HEW's Office of Education. The program authorizes loans for construction of academic facilities, instead of dormitories, in higher education

institutions. The mission of this program clearly complements HUD's College Housing Program. If Federal responsibility for the construction of college facilities were in the same department, schools could avoid working through two departments with their respective hierarchies. For example, as schools are faced with reconstruction and modification of housing and academic facilities to meet the requirements of section 504 of the Vocational Rehabilitation Act of 1973 with respect to removing architectural barriers, planning will be less fragmented and implementation more rapid if a single unit within the same department assumes responsibility for construction loans.

III. Assessment

Transferring the College Housing Program from HUD to the Department of Education would have the following advantages:

1. The College Housing Program and the academic facilities program could be merged into a comprehensive assistance program for institutions of higher education.
2. The College Housing Program would be administered within the context of the Federal government's overall aid to education effort.
3. The higher education community would support this transfer. Because the program bears little relationship to the housing policies and overall mission of HUD, it is being phased out in that department. The higher education community would consider the transfer an opportunity to increase pressure for funding and would find the Education Department more hospitable and accessible.

Transferring the College Housing Program would have the following disadvantage:

This transfer may be opposed if the program is seen as fundamentally a housing program. This housing determination could require coordination with and reference to the continuous housing market analyses being carried out by units of HUD other than the College Housing Program staff.

4. USDA
Graduate School

U.S. Department of Agriculture Graduate SchoolI. Program Description

Agency: U.S. Department of Agriculture

Budget: No direct Federal assistance or appropriations

Personnel: No Federal employees

The Graduate School was created in 1921 by the Secretary of Agriculture. Since that time, the purpose of the Graduate School has been to "improve the Federal service by providing educational opportunities for Federal employees." It offers evening classes, special programs, career planning and development services, independent study programs and international programs.

While the school is labeled a "graduate school," it is in fact a continuing education program, offering non-credit courses at both graduate and undergraduate levels. All courses are open to employees of Federal, State and local governments and to other interested adults. More than 20,000 persons are now enrolled and more than half of them are in the evening program.

The government of the Graduate School is vested in a General Administration Board appointed by the Secretary of Agriculture. The functions of the Board are similar to those of a board of trustees of a college or university. The School is administered by a director and a small administrative staff. It is nonprofit and receives no direct Federal funding. Its principal source of support comes from tuition fees.

The courses offered by the Graduate School are organized into eight departments. Each department is directed by a departmental committee composed of a chairman and persons of recognized competence in a particular field. The committees organize and give general administrative direction to the departments. Some departments are divided into smaller academic areas and are directed by committees subject to the approval of the departmental committee. Five committees advise on program administration for the Evening, Special, Independent Study, Career Planning and Development, and International programs.

Another committee concentrates on activities and materials that assist the Graduate School in maintaining a high level of academic excellence among its faculty. The chairmen of these committees make up the Council of the Graduate School of which the Director serves as chairman.

The faculty of the Graduate School is recruited mainly from scholars and officials employed in the Federal Government. Most faculty members have taught in colleges and universities in the United States.

II. Problems and Opportunities

1. The Graduate School has received substantial support (moral and other indirect assistance, such as legal advice) from the U.S. Department of Agriculture (USDA), and, thus, its administrators and Board would not be anxious to relocate. The majority of the Board are employees of USDA, which means the Board may react more negatively to the relocation proposal than its present administrators, Dr. John Holden, Director and Dr. Edmund Fulker, Deputy Director, who do not seem totally adverse to the transfer to a Department of Education.
2. Even without the prodding from the proposal in the Ribicoff bill (S.991) which transfers the Graduate School to the new Department of Education, the School's administrators have been considering different organizational options, including affiliation with the new University of the District of Columbia.
3. The Graduate School's independence and self-support seem to be important characteristics that should not be altered by reorganization. There are over 31 degree-granting institutions of higher education already operating in the Washington, D.C. area, and the Graduate School should not attempt to compete with them. Relying on part-time faculty who do not require security benefits and such things as tenure enables the Graduate School to be more responsive to student interests (demands) than degree-granting schools and governmental agencies.

4. Proposals to reorganize the Graduate School do raise a number of questions. Should each Federal agency attempt to build its own continuing education program? Does the Graduate School compete with the Civil Service Commission's training programs by serving training needs of agencies other than Agriculture? Should the Graduate School, whether in a new department or in USDA, reach out into the community and become a continuing education program which responds less to specific Federal agency training and educational needs than to the general public?

III. Assessments

The following advantages will result from transferring the USDA Graduate School to the Department of Education:

1. The Department of Education will be in a better position than USDA to provide more indirect services to the Graduate School, such as library facilities, professional staff, academicians and technical assistance.
2. The Department of Education should emphasize "self renewal" and institutional reform, and the programs offered by the Graduate School along with special training programs offered by the Civil Service Commission, will help the agency grow and mature.
3. The "philosophies" of the Graduate School and a renewed Federal emphasis on professional development and continuing education for adults appear to be quite compatible. Both highlight values and importance of general, liberal arts experiences, as well as specific competencies related to employment.
4. The Graduate School could gain more prestige and legitimacy by an association with an education agency rather than an agricultural agency. The name "agriculture" has led to some misinterpretations about the purposes and scope of the Graduate School.

Potential disadvantages which could result from transferring the USDA Graduate School are:

1. The Graduate School has received considerable assistance from USDA over the years, in the form of indirect assistance and moral support, and there is no guarantee that leaders of the new education department will be as supportive. Success of the Graduate School has depended more on the personal interests and goodwill of Secretaries of Agriculture and Civil Service Commissioners than on the organizational framework within which it has operated.
2. The Graduate School was initially created to meet the training and professional needs of employees of the USDA, and to date it continues to offer courses of study which meet the needs of USDA personnel, although this trend is decreasing.

Civil RightsI. Program Description

Agency: The Office for Civil Rights, Office of the Secretary, HEW

Budget: FY 1979 request: \$72.156 million

Personnel: 2,000

The Office for Civil Rights (OCR) is the arm of HEW responsible for enforcing the laws and authorities which prohibit discrimination on the basis of race, color, national origin, sex, age and physical and mental handicaps in federally assisted programs.* The statutes which OCR enforces prohibit discrimination in the employment and delivery systems of all elementary, secondary and postsecondary educational systems; all hospitals, nursing homes, child care and other medical institutions; and every State and local health, welfare, social service and education agency in the country.

* They include:

- Title VI of the Civil Rights Act of 1964 (racial and ethnic discrimination)
- Title IX of the Education Amendments of 1972 (sex discrimination)
- Section 504 of the Rehabilitation Act of 1973 (discrimination against the physically and mentally handicapped)
- Executive Order 11246 (employment discrimination on the basis of race, color, religion, sex, national origin)
- Public Law 93-638 (Indian Preference Act)
- Section 799A and 845 of the Public Health Service Act of 1972 (sex discrimination in medical education and nurse training programs)
- Section 407 of the Drug Abuse Office and Treatment Act of 1972 (discrimination in the admission of drug addicts to hospitals)
- Section 321 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment & Rehabilitation Act of 1970 (discrimination in the admission of alcoholics to hospitals)

OCR investigates complaints, conducts periodic reviews and tries to promote voluntary compliance by these recipients of Federal assistance.

II. Problems and Opportunities

Seventy-five percent of the work performed by OCR is the enforcement of laws and executive orders as they apply to educational institutions. According to the best estimate of OCR, more than 80 percent of OCR activity is devoted to education concerns.

In accordance with the government-wide policy, first expressed in Title VI, Section 602 of the Civil Rights Act of 1964, that all Federal agencies must be equipped with the capacity to assure nondiscrimination, it would be consistent to move the appropriate staff from OCR to the new department. Such a move, however, should not be viewed as the simple solution. The problem inherent in the move is whether this constituency-based agency will have the ability to police itself or whether that ability will be diminished by the department's education advocacy role.

Certainly, the broader the constituency base of the department, the less anxiety civil rights groups have about restructuring OCR.

The assurance of strict safeguards for civil rights enforcement has become a crucial issue as many groups assess their positions concerning the desirability of the new department.

III. Assessment

Transferring the education activities of OCR to the new department will have the following advantages:

1. Consistency will be maintained with the Federal policy of locating civil rights enforcement in each agency.
2. Civil rights enforcement will be enhanced by having the compliance staff within the department and knowledgeable about the program areas which they monitor.
3. Enforcement procedures are likely to be refined and improved. Currently, OCR is concerned with a very extensive array of issues. If education were its only interest, OCR would have the

opportunity to examine some complicated issues related only to education (e.g., testing) that an OCR in HEW has never been able to focus upon.

4. Civil rights issues in the health and welfare areas, which have been dwarfed in the present structure, will be afforded the appropriate attention in the "Department of Health and Welfare."

The transfer would have the following disadvantages, all of which are concerns which have been expressed by interest groups:

1. Problems of assuring consistency between civil rights enforcement policies with respect to multiple program areas that are now within HEW could develop. For example, Section 504 of the Rehabilitation Act imposes a standard of "reasonableness" for the renovation of facilities to provide access to the handicapped. It will be more difficult to coordinate and implement § 504 enforcement policy and to ensure standard degrees of "reasonableness" if the programs affected are split between the new Education Department and the "Department of Health and Welfare."
2. Current civil rights initiatives may be disrupted. For example, HEW has recently adopted a department-wide policy to incorporate civil rights compliance procedures into all decisions, especially those involving grants to contractors. OCR now works with each agency to define the agency role in conducting civil rights activities and monitors the subsequent implementation.

Some of the concerns of civil rights groups may be answered by actions such as:

- ° The delineation of OCR staff and line responsibilities specifically in the department's legislation and an organizational

placement of the civil rights function that signifies both the high status this activity is accorded, and the independence it will have from the operating programs it must monitor.

- ° The assurance that on-going OCR policies be continued and carried over to the new department.
- ° The further development of government-wide coordinating and monitoring machinery (e.g., Justice has issued Title VI guidelines for use by all agencies).

Telecommunications Facilities Programs

I. Program Description

Agency: Office of the Secretary of HEW

Budget: 1979 budget request

Educational Broadcasting Facilities	\$18 million
Nonbroadcasting Demonstrations	<u>1 million</u>
	\$19 million

Personnel: 10

1. Educational Broadcasting Facilities Program (EBFP).

This is a single program with authorization delegated to the Secretary of HEW but administered in the Office of Education. The purpose of the broadcasting facilities program is to "assist (through matching grants) in the construction of noncommercial educational television and radio broadcasting facilities." Although the term "educational" is used in the law, the authority supports the purchase of telecommunications equipment for "the distribution of health, education and public or social service information and other purposes." Matching grants up to 75 percent provide support for (1) activating new radio and television stations; (2) expanding existing stations; or (3) upgrading the quality of existing facilities. There are more than 270 public television stations and nearly 200 full-service public radio stations currently broadcasting.

Since 1962, the EBFP has awarded noncommercial stations (which are owned and operated by communities, States, local governments or universities) approximately \$150 million. At present, slightly more than half of the Nation's population is reached by public broadcasting services.

2. Nonbroadcasting Telecommunications Demonstration Program.

This program was created in 1976 "to promote the development of nonbroadcast telecommunications facilities..." Its purpose is to encourage innovation in the use and adaptation of a variety of technologies for the transmission, distribution and delivery of health, education, or public or social service information. The authority for this program was extended through 1978 and pending bills would extend the \$1 million authorization through September 1979.

The telecommunications authority is one of a number of authorizations that provide support for the development and use of noncommercial nonbroadcasting facilities. Experiments with cable television, communications satellites and other instructional telecommunications transmission and distribution systems receive support from the National Institute of Education, the Office of Education and the National Science Foundation.

II. Problems and Opportunities

1. The Federal Government has no formal policy or mechanism for coordinating the development of technology and telecommunications facilities that are applicable and available for educational and instructional uses. Many agencies are supporting the design, development and field testing of new equipment, such as instructional television fixed-service (ITFS), communications satellite (ATS-6) and computer-managed systems, but no office is responsible for assisting Federal, State and local educational officials to adopt or adapt these systems after their effectiveness has been demonstrated.

Current activities are scattered among many Federal agencies and offices within those agencies. No single office or person in the Federal government has the responsibility to improve the development and utilization of technology and telecommunications systems that are suitable for educational institutions and programs. Also, the Corporation for Public Broadcasting must work with numerous program officials who use various educational authorizations each year to support the production of television and radio programs.

2. Existing telecommunications and technology-based systems that could be used to supplement and enrich school-based programs are seriously underutilized. Teachers no longer "fear the technology," but they are ill-equipped to use television and radio.

According to a recent national survey, "instructional television is being used regularly by 15 million children, approximately one out of every three school-aged children in the United States." More than 70 percent of the teachers indicated that they had access to television programming for classroom use. However, only 17 percent of the teachers reported that they had training in the use of television.

3. Television and radio alternatives are cost-effective approaches to delivering certain educational services to large groups of students. When carefully and comprehensively designed and used to meet a multiplicity of educational and information needs, television and radio programs can substantially reduce costs of delivering instruction, particularly when users do not have access to educational institutions, such as persons in rural, isolated areas.
4. Schools, colleges and educators do not seem to recognize that more learning is taking place outside the classroom than ever before. The media, particularly television, is having profound effects on the attitudes and behavior of young children and adults, yet school officials and educational researchers fail to appreciate or deal with its impact.

III. Assessment

Transfer of these programs would have the following advantages:

1. Transfer of telecommunications programs (broadcast and/or nonbroadcast facilities) will assist the new agency in broadening its educational and informational delivery systems beyond those of formal schools and colleges.
2. Child advocacy groups would welcome a stronger Presidential commitment to the improvement of the quality of educational television and radio programs through the efforts of the new department, complementing a Federal strategy which relies on restrictive Federal Communications Commission or Federal Trade Commission monitoring of television and radio programming for children.
3. The telecommunications authorities and the funds available for supporting the production of programs will enable the new agency to use an alternative means to reach groups of learners such as the rural-isolated, non-English speaking, handicapped, aged and others who are not reached effectively by many formal school programs.
4. Transfer will assure that the new Department of Education will not be left behind while the development of telecommunications and technology accelerates.

Already, schools and colleges lag far behind other private and public sector agencies in using technology to extend services or to improve overall productivity.

5. Administration of the telecommunications facilities programs in the new agency will encourage public television and radio stations and networks to develop programs for both public and educational audiences.

The following disadvantages could result from transferring these programs to the Department of Education:

1. Involvement of the new education agency in the development of public telecommunications could duplicate the role and mission of the Corporation for Public Broadcasting. (Some, however, would view the overlap as positive.)
2. To date, educators have failed to make adequate use of available technology and telecommunications facilities and may not make good use of systems under development or encourage further innovation.
3. The current Education Division and other programs proposed for the new Education Department do not have sufficient staff who are qualified to understand and influence the development of new and advanced telecommunications systems.
4. Telecommunications equipment can be used to deliver a wide range of services only one of which is education. It has been argued that an agency with a broader mandate should assume responsibility for developing these systems for public uses.
5. Telecommunications and technology-based systems are alien to the vast majority of educational support programs which provide funds for teachers' salaries and for curriculum materials. Thus, this activity might not receive adequate financial support or attention by either its leaders or constituencies who may perceive technology as a substitute for, rather than a supplement to, the teacher.

7. Special
Institutions

Special InstitutionsI. Program Description

Agency: Division of Education Budget Analysis,
Department of Health, Education and
Welfare

Budget: FY 1979 budget request: \$179 million

Personnel: 1

HEW maintains budgetary oversight of four private nonprofit institutions created by the Congress, whose primary missions are the education and assistance of special constituencies. Funds are provided to these institutions for their partial or complete support. This oversight function has been vested in HEW's Education Budget Analysis Division because the department exercises no budgetary control and has assumed no policy guidance over the programs of the Institutions. The Special Institutions consist of the following:

- ° The American Printing House for the Blind, located in Louisville, Kentucky, was established by Congress to provide educational materials to elementary and secondary school-age blind students. The Printing House has advisory committees which approve materials and educational aids manufactured with Federal funds. Representatives of the Printing House work with State departments of education and local schools to advise about materials and facilities for blind students.
- ° National Technical Institute for the Deaf, located in Rochester, New York, provides residential, coeducational postsecondary technical education for the deaf in preparation for employment. The Institute also provides training for students, faculty and staff to acquaint them with particular methods of teaching the deaf. The Institute has an applied research and demonstration component.

- ° Gallaudet College, in Washington, D.C., is an educational institution providing college preparatory, undergraduate and continuing education programs for the deaf and a graduate program in fields relating to deafness. The legislation which authorizes Gallaudet also created the Model Secondary School for the Deaf and the Kendall Demonstration Elementary School. They are, respectively, a laboratory for educational experimentation and a national exemplary school and diagnostic center.
- ° Howard University, in Washington, D.C., is a private nonprofit undergraduate college, graduate school and medical facility serving approximately 9,000 students. The school has a basic emphasis on training minorities in technical and professional fields. Federal funds subsidize 57 percent of the University's expenses.

II. Problems and Opportunities

The Ribicoff bill recommends transfer of these institutions to the new department. Their transfer offers an opportunity for the logical move of the oversight function to a location where their presence may enrich similar programs. For example, the Special Institutions were created as demonstration programs designed to develop successful practices and techniques worthy of national replication. More recently, they have become increasingly service-related programs for their immediate geographical areas thereby losing their leadership functions. Transfer may reverse this trend and increase national access to the research findings of these institutions.

All of the institutions, with the exception of Howard, focus upon education and research for the handicapped. The possibilities for coordination with programs in the Bureau of Education for the Handicapped (BEH) will be increased by transfer of these institutions.

III. Assessment

The general criteria for assessing the desirability of reorganizing programs are not of overriding importance when examining these institutions. Transfer of these programs is a logical move which will have no negative affects on these insitutions nor will their transfer affect remaining health and welfare programs in the Department of Health and Welfare.

8. Nutrition
Education

Nutrition Education

I. Program Description

Nutrition education (authorized by child nutrition program legislation)

Agency: Food and Nutrition Service, U.S. Department of Agriculture

Budget: FY 1979 budget request: \$ 27 million

Personnel: 20

Nutrition education comprises a broad range of activities, from teaching students in the classroom to educating the general public through informative food labelling. Responsibility for these various activities is dispersed among a number of different programs and agencies. A 1977 report by the Congressional Research Service identified 30 programs with some nutrition education component; these are administered by four USDA agencies and seven HEW agencies. Coordination among these programs and agencies is extremely limited.

Because federally sponsored nutrition education activities are usually small components of broader programs, and because the number of such programs is large and these components diverse, locating responsibility for all nutrition education activities in a single agency does not seem feasible. This discussion, therefore, addresses only those programs which fund nutrition education as a discrete activity and which are targeted primarily on students. These programs are authorized by child nutrition legislation and administered by USDA. They are:

- . Section 6(a)3 of the National School Lunch Act, which has recently provided about \$250,000 per year for nutrition education; use of these funds is at the discretion of the Secretary of USDA.
- . Section 18 of the Child Nutrition Act, which provides cash grants to State education agencies for experimental or demonstration projects in nutrition education; this was funded for the first time in FY 1978, at a level of \$1 million.

- . Section 19 of the Child Nutrition Act, which provides 50 cents per child per year for State education agencies to fund nutrition education activities (about \$26 million). This particular authority was created by Public Law 95-166, enacted in November 1977. Funds for this authority have yet to be provided to States. When implemented, this will be the Federal government's principal nutrition education program directed at teaching children in the classroom.

The Administration will propose legislation this year to consolidate these separate authorities into a single authority.

These nutrition education programs provide funding for both teaching of students and training of school food service workers. The latter activity is so closely linked to the child feeding programs that we believe administrative responsibility for training school foodservice workers should rest with the agency administering the feeding programs. The following discussion, therefore, relates only to those parts of these nutrition education programs that involve teaching of students and training of teachers.

II. Problems and Opportunities

1. Nutrition education has been given almost no priority by educators. In spite of substantial evidence on the relationship of diet to disease, relatively few schools devote much instruction to nutrition. A 1975 study by the Education Commission of the States showed that only 12 percent of local schools required nutrition education as part of the curriculum. The same study showed that, of the local education agencies sampled, nutrition education ranked lowest in priority at the secondary level on a list of seven health-related subjects (e.g., drug education, sex education, etc.)
2. There is a notable lack of well-developed nutrition education curricula. Although USDA has provided some funding for development of nutrition education curricula, no widely endorsed curriculum has emerged from this effort. Some States and localities have developed their own curricula, but an absence

of Federal oversight has prevented evaluation and improvement of these curricula and dissemination of the results.

3. Few schools of education include nutrition education as part of their basic teacher training curricula. In addition, teacher certification procedures do not require knowledge of nutrition.

III. Assessment

Potential advantages of transferring nutrition education authority to the Department of Education include:

1. Locating nutrition education responsibility in the Department of Education could draw the education establishment into greater involvement with nutrition education and give nutrition education greater credibility in the eyes of State and local educators.
2. Development and dissemination of nutrition education curricula for students and teacher training modules can be accomplished more expeditiously through the Department of Education than through USDA.
3. Locating responsibility for nutrition education in the Department of Education will tend to promote a more multidisciplinary approach to nutrition education than if responsibility rests in USDA. Greater integration of nutrition education with health education and other life sciences will be likely. The National Advisory Council on Child Nutrition has recommended that USDA not promote nutrition education as a separate subject in the school curriculum.

Potential disadvantages of transferring nutrition education authority to the Department of Education include:

1. If the child feeding programs remain in USDA, transferring nutrition education authority could impair potential linkages between nutrition education and the feeding programs. The National Advisory Council on Child Nutrition has recommended that school foodservice facilities be used to the maximum extent possible as a "learning laboratory" for nutrition education.

2. Transfer would create some additional organizational distance between the nutrition education programs in the Department of Education and nutrition research activity, housed in USDA. Whether this would create problems is unclear, but any potential negative effect can be minimized by assigning lead responsibility for coordinating nutrition education activities to USDA. USDA will continue to have responsibility for the bulk of the Federal Government's nutrition education efforts, even after transfer of these school-based authorities.
3. Some political opposition to this transfer may be voiced by child nutrition program advocates and certain Members of Congress.

9. Student Loans

Student Loan ProgramsI. Program Descriptions

There are 108 student assistance programs--loans, fellowships, etc.--administered by the Federal Government;

- . 55 are outside HEW.
- . 34 are within HEW but outside the Office of Education.
- . 19 are within the Office of Education.

Of the student assistance programs, there are five loan programs which are now administered outside the Office of Education. Four of these are described below. Grants and loans to Indian students to pursue a program of higher education study are described in appendix 11. The veterans' loan program is described here but was not considered for transfer. If the other loan programs, as well as Indian student assistance grants and loans were transferred, all Federal programs for disadvantaged students would be consolidated within the new Department of Education.

A. Nursing Loans Program and Scholarship Programs

Agency: Public Health Service, Department of Health, Education and Welfare

Budget: FY 1979 budget request: zero
FY 1978 budget: \$31.5 million

Personnel: 24

The purpose of the Nursing Loans and Scholarship Programs is to provide aid in the form of loans and grants to nursing students in financial need and to offer an incentive to undergraduates to pursue and enter professional careers in nursing. Loans are long term (10-year repayment), low interest, up to \$2,500 per academic year with a \$10,000 maximum for four years. Funds are allocated by legislative formula to 1,190 participating, accredited schools of nursing. It should be noted that the Administration's FY 1979 budget requested no funding, as did the Administration's FY 1978 request.

B. Health Professions Student Loan Program (uninsured)

Agency: Public Health Service, Department of Health, Education and Welfare

Budget: FY 1979 budget request: zero
FY 1978 budget: \$20 million

Personnel: 21

The Health Professions Student Loan Program provides longterm loans at 7 percent interest and up to \$3,500 per year to students in the medical profession. Medical and osteopathic students are eligible only if they demonstrate exceptional financial need (although regulations to define this term have not yet been published). The Federal Government will repay up to 85 percent of the loans for three years of appropriate public service. Loans repaid to schools may be re-loaned. Allotment of funds to medical schools are based on statutory formula. In FY 1978, appropriations decreased from \$36 million to \$24 million. Two hundred ninety-six schools participate in the program, with 16,000 students receiving direct benefits annually. The Administration's FY 1979 budget request calls for zero funding, as the newly authorized federally insured loan program administered by HEW's Office of Education should replace the need for a non-insured direct loan program. Loans will continue to be made available from the revolving fund established in the schools.

C. Law Enforcement Education Program (LEEP) and Internship Program

Agency: Law Enforcement Assistance Agency (LEAA),
Department of Justice

Budget: FY 1979 request: \$30 million

Personnel: 9

The Law Enforcement Education Program makes loans and grants to professionalize criminal justice personnel (including police, courts and professions) through higher education institutions. An accredited institution submits an annual application to LEAA, which then awards project grants to the institutions--1,025 in FY 1977. The institutions then make grants and loans to eligible students. Grants are made to in-service employees of a public law enforcement agency, usually police officers who take courses on a part-time basis. Loans, however, are limited to fulltime undergraduate students and may not exceed \$2,200 per academic year. Approximately 10,000 of the 85,000 to 95,000 participants are fulltime undergraduates. The ratio of dollars directed to loans compared to grants is 1 to 2. LEAA does not collect any data on the number of students receiving loans who would be considered financially in need. Undergraduate students are required to make

a two-year commitment to work in the law enforcement field and as such are forgiven 25 percent of their debt for each year served. Currently, LEAA has 60,000 notes on which the status of the borrower is unknown.

The Law Enforcement Internship Program is a work-study summer experience for undergraduates to gain practical experience in criminal justice. This program is currently administered by one person in LEAA.

D. Post-Vietnam Era Veterans Education Loan Program
(excluding contributory portion)

Agency: Veterans Administration

Budget: FY 1979 budget request: Not applicable

(Since the Post-Vietnam Era program did not begin until January 1, 1977, few eligible veterans are out of the service or will be out in the near future because most enlistments are for a 3-4 year period. Benefits under the program don't begin, of course, until the serviceperson becomes a veteran. Consequently, no funds are available for transfer from VA at this time.

Personnel: Not available

The Post-Vietnam Era Veterans Contributory Education Assistance Program provides funds on a 2 for 1 (participant-paid) basis to persons who entered the armed forces after December 31, 1976, and wish to pursue a postsecondary education after service. Veterans collecting benefits under this program are also eligible for longterm (10-year repayment), low-interest loans up to \$2,500. Enacted as a five-year pilot program, the level of assistance has a maximum individual contribution of \$2,700. Because this program has been in operation only one year, there is no data on participant rates or projected loan amounts.

Vietnam Era veterans attending school under the GI Bill educational training program are also eligible for the same long-term, low-interest loans as those

attending school under the contributory program. These veterans will continue to receive assistance through the Veterans Administration.

As a result of recently enacted legislation liberalizing the eligibility requirements for veterans' educational loans, appropriations have increased five-fold from \$5.9 million in FY 1977 to \$30.8 million in FY 1978.

NOTE: Because of Administration policy to support the concept of making all veterans' benefits available from one delivery system, this loan program was analyzed but not considered for transfer.

II. Problems and Opportunities

1. Federal higher education student assistance programs lack a coherent policy rationale because of programmatic and administrative fragmentation within HEW and other agencies.
2. Students are confronted by a diverse and inconsistent array of federally administered loan programs.
3. Student assistance programs have developed funding mechanisms which vary according to agency routines. This has an adverse effect on institutions, States and individual students and their families in terms of uncertainty regarding both eligibility and opportunities.
4. There are no clear equity criteria common to Federal student assistance programs. There is no cross-governmental concept of what share of a student's support should be provided.
5. Student loan programs have experienced substantial rates of default and abuse, including the practice of student participation in more than one program.

III. Assessment

Advantages for centralization of federally supported student loan programs* include:

1. It provides an organizational base for simplifying loan eligibility procedures (initial or continued) so that the individual student will have an understanding of the amount of assistance he or she may receive in loans and their concomitant liability.

* Except for the Veterans Administration Post Vietnam era veterans' loan program.

2. The new department will have an overview of congruencies and inconsistencies in legislative purpose, allocation processes, eligibility requirements for students and schools and administrative requirements among the various Federal loan programs. This will reduce excessive paperwork burdens on the participating institutions and on students.
3. A single agency will have responsibility for preventing fraud and abuse of loan programs by schools or by students. (Because of the intrinsic trade-off that needs to be made between equal access and a low default rate, student mistakes will never be eliminated.) Irresponsible schools that exploit students through federally supported loans can be identified and Federal loan support suspended more easily so that students are not duped by these schools and saddled with a long term financial liability to the Federal Government.
4. Federal collections, debt deferral and forgiveness provisions, as well as claims, will be brought under one roof. This would reduce multiple billing for loans, reduce the need for interagency coordination efforts with GAO, IRS and the Justice Department and allow for better flexibility in rescheduling loan payments. More importantly, students taking advantage of multiple loan programs will relate to a single agency regarding questions of billing, deferments or debt forgiveness.
5. A single agency can collect and evaluate information through a simplified and consolidated data collection system on indebtedness trends, success and efficiency in assisting loan target groups, especially for student groups with excessive financial need.
6. The present mix of allocation formulas and institutional application processes can be restructured more easily to provide improved equity and integrity with the other need-based student assistance programs. Institutional loan funds can be managed better at the colleges and universities participating in the Nursing Loan, Health Professions Loans (uninsured) and National Direct Student Loans programs as a single agency monitors each of these separate funds.

7. Cost savings for the institutions, "hassle" savings to the student, and manpower savings to the Federal Government can result in the long run.
8. The basis will be provided for establishing a student financial grant and loan clearinghouse to disseminate Federal student aid information to individuals with financial need.
9. As post-Vietnam era veterans will doubtlessly have to use other USOE assistance programs to supplement their benefits from the contributory program, the problem of Federal loan program inconsistencies between the Office of Education loans and the VA will be reduced.
10. Interagency attempts to coordinate student assistance loan programs have been mostly fruitless in the past. A Department of Education would be more likely to have greater capacity than HEW's Office of Education to improve interdepartmental coordination. Nevertheless, if the new department does not have the clear responsibility for grant programs aimed at assuring equity, as new programs are legislated they may be easily placed outside its jurisdiction.
11. Groups representing higher education are enthusiastic about the centralization of student assistance programs.
12. Transition costs can be minimized since USOE is making major efforts in administrative unification of its own student assistance programs. As a result, the resources necessary and lessons learned to avoid unnecessary disruption are already in place.

Arguments against centralization of federally supported student assistance loans in the Department of Education are:

1. Law Enforcement Education Program and Nursing and Health Professions Student Loans are discipline-specific programs and are closely tied to the mission and expertise of their current agencies. (The same argument is less convincing, however, for the Health Professions Student Loan Program since USOE already administers the insured portion of this program as a result of Secretary Califano's 1977 reorganization of HEW in which he transferred this section of the program to OE from the Public Health Service.)

2. Transfer will entail transition costs in disrupting program continuity and student services. Each of these programs has its own computer system and complex procedures.
3. The Law Enforcement Education Program is related to five other LEAA education programs currently administered by the Department of Justice.
4. Health profession groups and perhaps some law enforcement constituencies may be opposed to the transfer of the discipline specific programs.

Indian Education:Johnson-O'Malley and Continuing Education ProgramsI. Program Description

Agency: Bureau of Indian Affairs, Department of the Interior

Budget: 1979 budget request:

Johnson-O'Malley education assistance programs	\$33.9 million
Continuing education programs	<u>41.4 million</u>
	<u>\$75.3 million</u>

Personnel: Approximately 50

Reservation children attend school through a great variety of educational arrangements. About 75 percent attend public schools, either living at home or in BIA dormitories. The Johnson-O'Malley program provides funds to public schools and the few tribally-controlled schools for supplementary educational benefits for Indian children from federally recognized tribes. Three USOE programs will provide an additional \$180 million to public schools in 1979 specifically to support the education of Indian children: impact aid (operation), impact aid (construction), and Indian Education Act programs. Indian children are also eligible to receive support through standard Federal educational assistance programs such as Title I. BIA's eligibility standards are more restrictive than USOE's, with the result that the programs will subsidize the education of about 182,000 children through BIA and somewhat less than 400,000 through USOE.

BIA's continuing education program contains adult education, student assistance and junior-college activities. These programs, like all those of BIA, are available only to Federally recognized tribes and their members. In addition, BIA's Division of Continuing Education has responsibility for coordinating vocational training and programs for the handicapped in BIA schools.

Both the Johnson-O'Malley and continuing education programs are administered through the Indian Education Resources Center in Albuquerque, New Mexico, with oversight from Washington. A substantial portion of each program is administered through contract with the affected tribes.

II. Problems and Opportunities

The following appear to be the major organizational problems associated with these programs:

1. There is no comprehensive Federal strategy for Indian education. The growth and character of schools for Indians, whether BIA or public, will in large part be financed through the Federal government. Yet support for BIA schools is located both in USOE and BIA, as is support for public schools. Coordination between the two programs is minimal.
2. The role of Indian education is not clearly defined within HEW. The role of USOE's Office of Indian Education (OIE) is unclear; should OIE act as a catalyst/coordinator or should its programs merely supplement other programs?
3. In general, Indian parents have little input into public schools. Although both OIE and Johnson-O'Malley programs are designed to provide funds for the special educational needs of Indian children, they are both used as basic support programs. Little in the way of the intended supplementary educational support is provided, and the low level of audits of both programs precludes effective enforcement of the responsibilities of the local education agencies.
4. Virtually no coordination exists between USOE and BIA student assistance programs, with resulting difficulties for both students and educational institutions. Although Indian students with financial need are eligible for both sets of programs, BIA has done little to encourage Indian applicants to seek student assistance through USOE. Virtually no data has been developed to evaluate the extent of cross-eligibility and the number of students receiving aid from both agencies. In addition, the BIA program is very difficult for an educational institution to administer. BIA generally uses different procedures from those of USOE, and each BIA region has its own procedures.
5. There is no articulated junior college program in BIA, despite enactment three years ago of a legislative mandate to develop one. Multitribal budgeting procedures result in uncertain funding for the colleges

and direct tribal participation in higher education programs is limited by State plan requirements of the Higher Education Act of 1965.

III. Assessment

Transferring these programs would have the following potential advantages:

1. It will co-locate all Federal programs aimed at the public-school and post-secondary education of Indians, permitting the development and implementation of specific strategies for both.
2. It will provide an opportunity for reducing costs to students and institutions of higher education, for improving funding mechanisms and for facilitating the collection and analysis of data on the needs of Indian students for post-secondary assistance.
3. It will allow a more coordinated approach to enforcing those laws financing special programs for Indian students in public schools.
4. It will strengthen the Office of Indian Education by giving it more programmatic clout. If this is done--and OIE is simultaneously given a stronger catalyst/coordinator role within the new department--it will improve the chances of significant Indian access to participation in the public schools their children attend. Other groups (Blacks, Hispanics, the handicapped) have achieved greater access through Federal protection of their rights from preemption by State and local agencies.

Transferring these programs would have the following disadvantages:

1. It will take the programs out of BIA, an agency which Indians feel recognizes tribal sovereignty and the trust responsibilities of the Federal government. Without great care being taken in the establishment of an Indian agency within the new department, recognition of these principles could be lost.
2. It will create significant administrative problems. Eligibility definitions of the BIA and OE programs

differ and are a major political issue. Indian preference in hiring, now applied only in BIA and the Indian Health Service, would have to be retained for these programs and possibly applied to OIE programs as well.

3. Any transfer will probably result in significant opposition by Indians, especially by the tribal leaders. The specifics of the transfer will be crucial in this regard, particularly as they affect such issues as Indian preference, eligibility, trust responsibility, tribal sovereignty and the transferred programs.

Youth Services ProgramsI. Program Descriptions1. Juvenile Justice and Delinquency Prevention

Agency: Office of Juvenile Justice and Delinquency Prevention, Law Enforcement Assistance Administration, Department of Justice

Budget: FY 1979 budget request: \$100 million

Personnel: 53

This Federal program for the prevention of juvenile delinquency was transferred from HEW to the Department of Justice in 1974. A major reason for the transfer was that the formula grants to the States under the Omnibus Crime Control and Safe Streets Act of 1968 from the Law Enforcement Assistance Administration (LEAA) had a juvenile justice component that had grown larger than the expenditures under the HEW program. The activities funded under the basic LEAA grant are corrections-oriented, however, while those funded through the juvenile justice formula grant and the juvenile justice special emphasis grants are for prevention and diversion from the criminal justice system. Both sources of funds, the LEAA basic grant and the juvenile justice formula grant, are dispersed through State and regional LEAA planning agencies.

State planning agencies are required to spend at least 75 percent of all juvenile justice formula grant funds for "advanced techniques" such as community-based programs for the prevention and treatment of delinquency, youth service bureaus, drug and alcohol abuse programs, and activities aimed at keeping students in school. The State plan must also detail the arrangement for the diversion of status offenders from detention and correctional facilities to community-based shelters and provide that juveniles not be incarcerated with adults in detention or correctional facilities.

2. Runaway Youth

Agency: Administration for Children, Youth and Families, Office of Human Development Services, HEW

Budget: FY 1979 budget request: \$11 million

Personnel: 33

This program was created by the Runaway Youth Act, which is Title III of the Juvenile Justice and Delinquency Prevention Act of 1974. The program was located in HEW, while other elements of the Act were transferred from HEW to the Justice Department. The Secretary of HEW is authorized to make grants and provide technical assistance to localities and nonprofit private agencies for the development of facilities to serve the needs of runaway youth outside the juvenile justice system.

3. Service Learning Programs

Agency: Domestic Programs, ACTION

Budget: FY 1978: \$5.5 million FY 1979 budget
request: \$.605 million

Personnel: Nominal

Three programs provide incentives to universities and colleges and to individual students to participate with community organizations in combating poverty and poverty-related local problems:

- ° University Year for ACTION provides grants to academic institutions to support students who volunteer one year full-time service while receiving academic credit for their service. This program is proposed to be phased out during FY 1978.
- ° The National Student Volunteer Program is a technical assistance program to begin or improve existing service-learning programs.
- ° The Youth Challenge Program is a demonstration project that provides grants to nonprofit organizations to test a full range of volunteer delivery models for young people serving poverty communities.

4. Summer Youth Sports and National Youth Sports

Agency: Manpower Team, Office of Special Programs,
Office of Community Action, Community
Services Administration

Budget: FY 1979 budget request: \$23 million

Personnel: Nominal

Both these programs are project grant programs. The National Youth Sports program makes one grant per year to the National Collegiate Athletic Association, which then makes grants to member schools to provide physical fitness and instruction to youth, 90 percent of whom must meet CSA poverty guidelines. The Summer Recreation program provides grants through CETA Prime Sponsors (i.e., public agencies) to provide recreational opportunities during the summer to youth too young to obtain employment and who are economically disadvantaged in accordance with CSA poverty guidelines.

II. Problems and Opportunities

1. There is no one accountable at the Federal level for the development of effective youth policies.

With programs affecting youth located in four major Federal departments and two agencies, there is no office or official that has the responsibility for developing an overall assessment of the issues that are of national importance for youth. Although major Federal resources are committed in the functional areas of education, employment, nutrition, health, justice and welfare, there are no mechanisms for longterm policy planning that are responsive to the changing demographics or characteristics of this age group. Problems such as unemployment, drug abuse, violence in schools, teenage pregnancy, and juvenile delinquency are interrelated and can be addressed more comprehensively by an office with wide responsibility for youth-related issues.

2. Coordination problems exist among the programs that are focused on youth issues.

Because programs designed specifically for youth are scattered throughout the government, there are numerous

problems in coordinating their actions even in related areas. The Justice Department has taken the lead in researching the problem of violence in schools, while the Office of Education has no staff office specifically working on this problem, and the National Institute of Education contracted for the only study in the area. The Drug Abuse program in the Office of the Commissioner of Education is narrowly focused on training school personnel about drug abuse and is not effectively coordinated with the efforts of the Assistant Secretary for Health in HEW. The operating relationship at the Federal level between youth employment programs and education and justice programs is marginal at best. With no formal lead agency or coordinating mechanisms, each separate program is likely to duplicate or miss opportunities for improving the operations of their programs.

3. Innovative program development could be enhanced by bringing together summer youth programs.

Experience with the operation of the summer youth employment program in conjunction with the summer youth sports and summer feeding programs at the local level indicates that Federal efforts to improve opportunities for disadvantaged youth during the summer school vacation period could be more effective if these programs were formally linked at the administrative level.

III. Assessment

Transferring these and the youth employment programs, discussed separately, to the Department of Education will have the following advantages:

1. Including the programs in a Department of Education would allow the Federal Government to exercise leadership in bringing the country's immense investment in locally operated school systems into an active partnership with State and Federal efforts to provide for the development in all youth of both basic skills and the tools for a productive life.

2. Transfer would create a "critical mass" of youth programs in one agency so that there will be a logical administrative locus for the development of a governmentwide youth policy. By combining these programs with a department that is responsible for the Federal policy affecting elementary and secondary schools, the department would have a sufficiently broad perspective to influence health and welfare programs which also focus on youth.
3. The likelihood that the department will be dominated by professional educators will be reduced. By including programs which have different delivery systems and different political constituencies in the same department, there will be countervailing forces that will enlarge the purpose and policy directions of the department.
4. Given sufficient administrative stature, a youth agency in the Department of Education will be able to attract more talented administrators and staff than is possible with the current dispersed program focus.

Transferring this program cluster to the Department of Education would result in the following disadvantages:

1. Current linkages, particularly with child welfare and juvenile justice programs, would be severed. Since the Federal Government will continue to support criminal justice programs for youth under the basic LEAA grant program, some coordinating mechanism must be developed for the review of these State plans by the new department. Similar problems will occur in the child welfare area.
2. We are aware of several difficult political problems with this proposal. For instance, those who believe that youth behavior problems should be handled in a punitive fashion will oppose transferring the youth programs from the Justice Department. The key to the success of a youth agency is the inclusion of some youth employment programs so that a sufficiently large agency in both dollars and scope will be created. Without the training and employment programs, the current scattered arrangement holds the best promise for youth advocates to be effective in influencing government policy. The specific problems associated with transferring the youth training and employment programs are discussed separately.

3. There is the risk that these programs will be viewed by the new department's leadership as secondary to the traditional mission of education, and therefore, available for trading in the executive budget process for increases in the traditional programs. This is a longterm concern of those who believe that more attention should be paid to youth issues on the national level.

12. Youth
Training

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Youth Employment and TrainingI. Introduction

The youth employment and training programs described below were considered as part of a "package" which includes the programs described under Youth Services Programs (appendix 11). This package is designed to create a youth strategy the major elements of which are: a) designating the new department as the lead agency for youth policy development and b) providing the new department with sufficient program diversity to be able to respond to a broad range of youth issues, consistent with its lead agency mission.

Our initial review of the Department of Labor's (DOL) youth programs potentially consistent with this youth strategy included active consideration of the Job Corps, the Summer Youth Employment program and the Youth Incentive Entitlement Pilot Projects (YIEPP). A description and an assessment of these three programs appear in Sections II and IV that follow. However, as a result of both our evaluation of the current capability of local education agencies to assume large scale youth employment responsibilities and of DOL's review and comment, we have deferred recommending transfer of any of these programs at this time.

As an alternative, we believe an interagency effort to examine the appropriate location of all programs authorized by the Youth Employment and Demonstration Projects Act (YEDPA)--in addition to the Job Corps and Summer Youth Employment Programs--be undertaken. This review should also include the Youth Services programs described in appendix 11. This effort should be structured around a review of the YEDPA experience planned for the fall and early winter in preparation for making legislative recommendations to the Congress on the future of youth programming in the Federal Government. Should this review result in recommendations to transfer any youth programs, the Labor Department and the new department should be required, through legislative mandate, to jointly develop policy guidance and regulations governing youth programs having a job component. Legislation should also delineate interdepartmental responsibilities regarding program development for out-of-school youth. Supported by these legislative provisions, any transfer of youth programs, combined with existing vocational education programs in the Office of Education, would strengthen the new department's school-to-work mission and provide a clear and broadbased youth focus as well.

Thus, while a description of all YEDPA programs appears below, our assessment and DOL's review and comment has been limited to the Job Corps, Summer Youth Employment and YIEPP programs. In addition to YIEPP, YEDPA programs include: the Young Adult Conservation Corps (YACC), the Youth Employment and Training Program (YETP) and the Youth Community Conservation and Improvements Projects (YCCIP).

II. Program Description

Agency: Department of Labor, Employment and Training Administration, Office of Youth Programs

Budget: FY 1979 outlays in millions of dollars:

1. Job Corps (CETA Title IV):	375.5
2. Summer Youth Employment (CETA Title III):	740.2
3. YIEPP (CETA Title III as amended by the Youth Employment and Demonstration Projects Act of 1977):	147.8 (1,263.5)
4. YACC (CETA Title VIII):	306.5
5. YETP (CETA Title III as amended by YEDPA):	592.2
6. YCCIP (CETA Title III as amended by YEDPA):	139.8 (1,038.5)
Total Youth Program Outlays	2,302.0

Personnel: 489 1/

1/

These positions represent the total staffing of the Office of Youth Programs, which administers the youth programs authorized under the Youth Employment and Demonstration Projects Act (YEDPA) and Job Corps in addition to the Summer Youth Employment Program.

1. Job Corps (CETA Title IV) was originally authorized under the Equal Opportunity Act of 1964 as a program to provide remedial education and work experience in a residential setting for low-income youth especially disadvantaged in terms of labor market competitiveness. Job Corps is a national program operated under agreements with the Departments of Agriculture and Interior or under contract with nonprofit or for-profit organizations and does not use the CETA prime sponsor grants system for program delivery. While the remedial and anti-poverty aspects of the program have not changed since its inception, the current trend is toward reducing the "isolation" of Job Corps centers with the more successful centers being operated by trade union associations.
2. Summer Youth Employment (part of CETA Title III) is administered through CETA grants to prime sponsors and provides summer jobs to low-income youth for a nine-week period. While there is significant variation in the content of summer youth programs, in general, these programs represent a means to achieve income transfer and to provide low-skill work opportunities as an alternative to unproductive leisure. The most significant trend in the summer youth program has been its growth over time with outlays increasing from \$459.4 million in FY 1976 to \$740.1 million in FY 1979, a 60 percent increase in outlays. FY 1979 outlays will finance an estimated one million job slots.
3. YIEPP (part of CETA Title III as amended by YEDPA) is a new, experimental program authorized under the YEDPA. YIEPP currently provides grants to 17 CETA prime sponsors to test the impact on return to school, retention rates and school completion of providing a job guarantee to youth who are either in school or willing to return. In comparison to other YEDPA programs, YIEPP is most closely related to the Department of Labor's research and demonstration efforts to both identify the causes and formulate successful approaches to ameliorating high rates of youth unemployment.

4. YACC (CETA Title VIII) provides job opportunities for out-of-school youth in conservation activities on public lands. The program operates under agreements between the Labor Department and the Departments of Agriculture and Interior, with the latter agencies having program development responsibility.
5. YETP (CETA Title III as amended by YEDPA) is designed to supplement prime sponsors' basic employment and training services in a manner that will produce a significant long-term impact on the structural aspects of youth unemployment. The legislative history of YETP indicates an intent that prime sponsors explore institutional approaches to resolving youth unemployment, e.g., improved prime sponsor/school relationships. Twenty-two percent of YETP funds available to prime sponsors are currently earmarked for projects jointly developed by prime sponsors and local education agencies.
6. YCCIP (CETA Title III as amended by YEDPA) provides work experience and employment opportunities for youth on projects producing lasting physical benefits to communities.

III. Problems and Opportunities

The following appear to be the major problems that can be resolved and opportunities available through program transfer:

1. There is a fragmentation of decisionmaking authority with respect to policy development and resource allocation in the administration of education and training programs. This fragmentation stems from decisionmaking authority being shared by DHEW and DOL. Thus, policy approaches may differ between programs having similar objectives.

2. A lack of well-focused leadership results from the dispersion of decisionmaking authority. Specifically, there is no focal point for leadership in developing a coherent strategy to address such complex issues as transition from school to work and to respond to the developmental and service needs of youth.
3. The current organization of education and training programs results in forgone opportunities to better match program services with client needs. While CETA programs currently respond to the short-term employment needs of clients, their impact on structural unemployment is uncertain. Chronic unemployment is often associated with related social disadvantages. Program services that are responsive to client needs should therefore be comprehensive in scope--unifying social and education and training services--and long-term in outlook.
4. The new department provides an opportunity to create a comprehensive youth services agency designed to focus in a single department "lead agency" authority and responsibility on youth issues. Since the educational system is the primary institution in which youth are concentrated in large numbers, educational institutions, and/or extensions of them, can serve as the core of a comprehensive youth services delivery system.

IV. Assessment

Transfer of the youth programs described above would offer the following advantages:

1. These programs closely fit the mission of a broadly based Department of Education, e.g., the primary activities of Job Corps are educational, consisting of two principal components--basic education and vocational skill training.
2. Transfer would consolidate programs serving youth into a single department allowing for greater coordination of youth programs with similar missions, e.g., vocational education and rehabilitation programs from DHEW. Job Corps, Summer Youth Employment

and YIEPP all serve youth under 22 years of age. Transfer would also enable education and training programs to be supported by youth-oriented social services if the latter were included in the new department.

3. Transfer may serve to strengthen the education and training components of these programs as well as allow for increased targeting of funds on the structurally unemployed. For example, transfer of the Summer Youth Employment program may increase the likelihood of diversifying the program. In most instances, the program can be characterized as an income transfer mechanism and an expensive alternative to unproductive leisure with little long-term value to participants.
4. Transfer would be a major step in the direction of resolving the problem of fragmented decisionmaking authority with respect to education and training policy and would better focus policy development initiatives and leadership with respect to youth issues in general.

The following potential disadvantages would result from the recommended program transfers:

1. Transfer would undermine existing linkages between training and jobs, especially DOL-assisted programs of job development and job placement. Job development capability for any youth program having a jobs component will largely remain with the Employment Service and prime sponsors despite program transfer. Thus, transfer holds the potential of further fragmenting decisionmaking authority by creating, in essence, a tripartite Federal education and training system consisting of the activities of the Employment Service, CETA prime sponsors and those of the new department. From a local perspective, this may imply more complex (or at least more numerous) planning and reporting requirements and an additional Federal authority with which coordination must be achieved. Moreover, given the youth representation in other CETA programs, it is unclear whether creating a single locus of policy development on youth issues in the new department will have the desired impact on the operational side of youth employment and training programs in general.

2. The alignment of political forces on the recommended transfer is currently uncertain. However, strong pressures from cities to maintain the Summer Youth Employment program may develop if transfer is proposed. Largely due to the size of the program (\$740.2 million for FY 1979), cities are likely to oppose an organizational initiative that appears to diminish their control of these resources. A similar reaction from elected officials may occur with respect to the YIEPP program since cities may view it as a potentially rich source of "new money" for addressing youth unemployment. DOL may oppose the transfers as moving these programs away from responsiveness to labor market conditions toward a more narrow focus on youth as a target group. Organized labor might join with elected officials and DOL in opposing transfer although the specifics of this potential opposition are difficult to predict.
3. The transfer reduces the non-school alternatives to education and training. The reduction of alternatives is particularly important for minorities, a significant proportion of whom see the traditional education system as incapable of addressing their needs. The failure of the public school system vis-a-vis disadvantaged minorities is likely to be seen as very much at issue in the context of the proposed transfer.

13. Project
Head Start

Head Start

I. Program Description

Agency: Administration for Children, Youth, and Families (ACYF); Office of Human Development Services (OHDS), Department of Health, Education and Welfare.

Budget: FY 1979 request: \$680 million

Personnel: 240

Project Head Start provides comprehensive education, health, nutrition, social and other services, primarily to pre-school, economically disadvantaged children and their families. The program also includes a parent involvement component, which encourages parents to participate in the development, conduct and overall direction of the program at the local level. The Federal government pays 80 percent of the operational costs; the grantee supplies the rest. Approximately 30 percent of the 1,400 grantees are local school systems; the others are run by community action agencies and a variety of other local organizations. Ninety percent of the enrollees in each Head Start program must come from families whose incomes are below the Federal poverty guidelines. In addition, no less than 10 percent of the total enrollment opportunities in each State must be available for handicapped children. During fiscal year 1978, Head Start will serve approximately 400,500 children.

Recent evaluations of Head Start generally find that the program is successful in enhancing the educational achievement, health and social competence of participants, although gains made in Head Start appear to diminish--but not disappear--over time.

II. Problems and Opportunities

The following appear to be the major problems and opportunities associated with Head Start:

1. Child development experts agree that the longterm impact of Head Start programs is reduced because pre-school and school experiences are inadequately coordinated. At the local level, the schools often fail to comprehend and utilize programs necessary to supplement Head Start efforts and sustain gains.

Moreover, the lack of communication between Head Start programs and the schools diminishes the ability of Head Start to stimulate change in the schools as community institutions. At the Federal level, the same lack of communication has impeded the influence Head Start's initial supporters hoped it would have on changing the traditional view that education is limited to school-based learning.

2. Comprehensive services offered to Head Start children do not often continue once the children enter school. Most schools concentrate primarily on cognitive development, and other community agencies are seldom able to provide school-age children with the supplementary services which have been offered by Head Start.
3. Children's programs are fragmented and limited at both the Federal and State levels, and coordination mechanisms are inadequate. For example, day care centers can receive funding from Head Start, Title XX, the Work Incentive Program, the Appalachian Regional Commission, the Elementary and Secondary Education Act, and the Department of Agriculture, among others. Each of these programs has its own eligibility, matching and programmatic requirements. Duplication of efforts may have wasted resources available for early childhood education. In any case, large numbers of children in need of preschool services do not receive them. Head Start, for example, serves only about 21 percent of the estimated 1.9 million eligible children.
4. Creation of a Department of Education provides the opportunity for broadening the scope of Federal education efforts by including programs like Head Start which provide a wide range of developmental services.

III. Assessment

The potential advantages of transferring Head Start to a Department of Education are:

1. Location of both Head Start and conventional schooling programs in the Department of Education would improve linkages between preschool and school services. Compared to HEW, the new department's smaller size and more concentrated focus on education may enhance intradepartmental coordination and generate greater emphasis on the preschool-school linkages. It should

also be emphasized that there may be additional ways to address the preschool-school linkage issue; a demonstration project in OHDS is currently examining the problem.

2. Transfer of Head Start would broaden the focus of the Department of Education and give momentum and legitimacy to Federal efforts to encourage educators to see the solutions to learning problems as linked to a range of problems faced by individuals.
3. As an "in-house" model of a successful comprehensive program of human development, Head Start could encourage reform of the traditional Federal propensity to equate education solely with in-school programs. Such reform would include support of broader curricula, increased emphasis on parent and child needs, the use of community-based organizations to serve children and families and an expanded concept of the school as a community services center. The creators of Head Start conceived of the program as an alternative educational model which would focus on the importance of a range of child development needs and would serve as a catalyst by demonstrating that a comprehensive approach to education could enhance the schools' ability to foster cognitive development.
4. Transfer could facilitate the expansion of early childhood education efforts. If inclusion of Head Start in the new department increases the interest of educators and their political allies in preschool-age children, it could stimulate support for the extension of preschool programs to greater numbers of children.
5. The transfer of Head Start has the support of some key legislators in both the House and Senate.

The disadvantages of transferring Head Start are:

1. Transfer may pose some risks to the unique character of the program, which has been successful in achieving many of its objectives. Head Start's success and widespread support are attributable largely to both its community focus and the comprehensive nature of the services it provides. If transfer were to modify this approach significantly, the program would suffer.

2. Transfer may impede efforts to coordinate family-focused social services in OHDS. Removing the program from OHDS would decrease the likelihood of developing comprehensive family services programs around Head Start. OHDS would no longer have the ready access to families and the rapport with the community which Head Start offers.
3. Transfer may hinder coordination efforts between Head Start and related HEW social services and health programs. Head Start's transfer from OHDS may cause it to lose some of the support which the family services programs of OHDS, particularly Title XX, provide for the social services component of Head Start. However, coordination among these areas has been difficult to achieve even within HEW. Moreover, it is very difficult to translate Federal coordination into local linkages.
4. Transfer may increase pressure from educators to move Head Start programs fully into the school systems. Opposition to transferring Head Start to a Department of Education stems largely from the fear that it will be absorbed by the school systems. Such an occurrence would tend to reduce Head Start's comprehensive approach in favor of a greater focus on preparation for schooling; to result in less active participation by parents, who have tended to be involved in conventional schooling much less than in Head Start; and to increase Head Start costs if certified teachers were employed more extensively.
5. Transfer will be strongly opposed by child advocacy groups, some minority groups, and Head Start personnel and parents. This opposition could also expand into resistance to the creation of a Department of Education. Opposition would decrease, however, to the extent that more human development and family-focused programs are included in the Department of Education.

In view of these concerns, if Head Start is transferred, we believe that it is important to build in adequate safeguards to protect the character of Head Start, such as giving the program high organizational status within the department and ensuring that no consolidation of the program with other education programs is contemplated. In addition, the possibilities of awarding Head Start grants to a range of community institutions other than schools should be retained. These kinds of safeguards are

also important because they will increase the likelihood that the contributions Head Start can make to improving the quality of American education will be realized.

15. DOD Schools

Department of Defense
Overseas Dependents' Schools

I. Program Description

Agency: Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, Office of the Secretary of Defense, Department of Defense

Budget: FY 1979 budget request: \$350 million

Personnel: Approximately 10,000, including 9,500 school personnel and 500 overhead positions. The headquarters staff currently numbers 48.

The Overseas Dependents' Schools have no basis in authorizing legislation. It is a system that was created administratively in 1946 to provide elementary and secondary education for children of military personnel stationed outside the continental United States.

A bill (HR 9892) was introduced in November, 1977, by Rep. Erlenborn which would give the Dependents' Schools a legislative base. Both the Department of Defense and the Office of Education testified on the bill. Action on the bill is being postponed until the Congress considers the President's proposal for a Department of Education.

There are currently 267 overseas dependents' schools in operation. Total enrollment is about 135,000. Although enrollment has been declining in recent years, the cost of the program has been increasing. This is attributed to inflation and fuel costs, but there has been some growth in real costs as well. It appears that costs will continue to increase in the foreseeable future.

Excluded from this system are the 25 schools located in the continental U.S. (CONUS) where there are no local public schools available. These schools are supported through the Office of Education impact aid program, and are supposed to be turned over to local education agencies whenever possible. Approximately 30,000 students attend CONUS schools.

The dependents' schools are most heavily concentrated in the European area, which extends as far as the Persian Gulf. About 77 percent of the enrollment is located in this area, with 20 percent in the Pacific and only 3 percent in the Atlantic. Until recently, these schools were controlled directly by local base commanders and indirectly by their respective services. A reorganization was approved in July, 1976, seeking to reduce the educational role of base commanders, improve the control and reporting relationships and tighten up the effectiveness of the organization.

This reorganization is now being implemented and is expected to be completed by the end of 1978. The House Appropriations Subcommittee has been instrumental in encouraging and facilitating this change.

II. Problems and Opportunities

Some of the problems associated with the Overseas Dependents' Schools were highlighted in a 1975 study conducted at the direction of the Secretary of Defense. For the most part, these are managerial problems and are classified as weaknesses in the organization. They fall into the broad categories of administrative, financial and logistical problems. Some examples are:

Administrative Problems

1. Administration and communication channels and layers result in a very slow system response time.
2. Responsibility for dependents' schools is too diffuse, fragmenting the decision process.
3. Direction and policy guidance from the Office of the Secretary of Defense (OSD) is inadequate in some areas.
4. Overlapping management layers impede the responsiveness of the system and result in increased costs.

Financial Problems

5. Little uniformity exists among the three services in their budget and accounting policies and procedures.
6. The Office of the Secretary of Defense has insufficient program knowledge to distribute funds equitably among the services.

7. The Office of the Secretary of Defense reacts to service budget proposals after the fact. There is little control over funding or development of systemwide funding priorities.

Logistical and/or Support Problems

8. There is insufficient guidance from OSD in the logistic/support area.
9. Priorities are not being established for school construction on a systemwide basis.
10. There is no worldwide surveillance over repair and maintenance and little control over logistic costs.

Educational Quality

In 1976, five Congressional staff members conducted extensive site visits to schools in Iceland and Germany. Their observations represent the nearest thing available to an overview evaluation of the Overseas Dependents' Schools. The education programs in the schools are characterized as being generally adequate. An overarching criticism of the schools is that of inconsistency of operation and unevenness of program quality. This is attributed primarily to the diffuse nature of the system, the absence of strong central control and the lack of common standards and objectives to guide the schools. Specific problems identified are:

- . The majority of the schools visited seemed not to have school lunch programs, and those that did operated them in wholly inadequate facilities.
- . Inadequate recruitment and poor retention of teaching personnel.
- . Schools do not do a good job of meeting needs of special population groups such as handicapped, educationally disadvantaged and non-English speaking children. (In some schools, as many as one-half of incoming first graders do not speak English.) Also, the vocational education programs are inadequate in many places.
- . Many poor facilities exist, with narrow classrooms, inadequate lighting and no lunchrooms and gyms.
- . Textbooks and other educational supplies are of inadequate supply, of limited variety and are often received late.

II. Assessment

Potential advantages of transferring the Dependents' Schools are:

1. There is some potential for increasing the scope, quality and currency of education for students by having available the vast number and variety of educational resources that will be present in the Department of Education. This would also apply to increasing opportunities for access and improved education for handicapped children, gifted and talented, and those who may benefit from compensatory education. On the other hand, if the Department of Defense wished to acquire such services, it could do so on its own.
2. The presence of the schools in the Department of Education might contribute to the vitality and reality of the Department. Cycling qualified Department of Education staff and administrators through assignments in the schools might serve to keep them in touch with the real world of education and encourage them to maintain a better sense of perspective and balance when dealing with programmatic and policy issues.

The potential disadvantages of moving the Dependents' Schools include:

1. Problems of coordinating logistical and housekeeping support for the schools would be increased. The schools now rely completely on the military for logistical and housekeeping support. It is the most readily available and seems to be the most efficient and economic source of such support. If the schools were transferred to the Department of Education, the acquisition of these kinds of support from the military would become cumbersome and bureaucratic, and the schools would suffer as a result. A transfer would in effect be recreating, at least in part, an excessively layered structure, which is the very thing DOD is attempting to eliminate. This could require an excessive amount of time of officials in higher reaches of both departments and produce adverse effects on the attainment of goals.
2. Removing control and operation of the schools from the Department of Defense would have a negative impact on military personnel. It is highly likely that the

military hierarchy, the Congressional supporters of the armed services, and some of the parents of the school children would see a transfer of the schools as a serious undermining of their control and traditional responsibilities. Some parents of the children, in particular, may see the transfer of the schools as an attempt to set their children up in a vast experimental laboratory. The schools are no doubt seen as being an intricate part of the defense family. They are in effect an employee benefit. From what we have learned thus far, the educational programs are generally adequate. To set off a furor among the military simply for the sake of consolidating the schools with other activities in the Department of Education seems not to make much sense.

3. There is some concern that transfer would lead to intrusion in the educational programs of the schools. The schools might be viewed as an opportunity to experiment by many education staff. At least at the outset, there could be an irrepressible urge to observe, study and tinker with the programs of the schools.
4. The Secretary of Education could be put in the position of having to negotiate with one union representing all the dependents' schools' teachers.
5. There would be no advantages to the large majority of Americans from the transfer of the schools.

The problems highlighted here are being worked on in the Defense Department by tightening management controls and by reorganizing the Dependents' Schools. There seems to be little opportunity for the new Department of Education to address the problems more effectively than can the Department of Defense. In fact, the new department might find this responsibility to be incredibly burdensome.

Although transfer of the schools is not recommended at this time, the following options are suggested:

- . The President's Reorganization Project should monitor closely the reorganization of the Overseas Dependents' Schools which is currently underway. Upon its completion, an evaluation should be made of the extent to which it has improved the effectiveness of the operation. Recommendations for further change may be in order.

- . A linkage should be developed between the Defense Department and the Department of Education by giving the latter legislative authority for oversight and evaluation of the Overseas Dependents' Schools (as well as other Federally operated schools) and to report results to the President and Congress. This oversight relationship should be similar to one between a State Department of Education and a local school district.
- . There should be created legislatively an Educational Policy Advisory Board composed of Federal and public education officials, administrators and teachers to review and advise the Director of the Overseas Dependents' Schools on the educational directions of the schools. The system seems to border on being a closed society; it could benefit from the insights and experience of those at various levels of public education.